

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

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER ADVISERS IMMEDIATELY.

PURSUANT TO PARAGRAPH 2.1 OF PRACTICE NOTE 18 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"), BURSA SECURITIES HAS NOT PERUSED PART A AND PART C OF THIS CIRCULAR PRIOR TO THE ISSUANCE OF THIS CIRCULAR. BURSA SECURITIES TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS CIRCULAR, MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITIES WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS CIRCULAR.



**MELEWAR INDUSTRIAL GROUP BERHAD**

(Co. No. 8444-W)  
(Incorporated In Malaysia)

**CIRCULAR TO SHAREHOLDERS**

In relation to the :

**PART A**

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

**PART B**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE; AND**
- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART C**

- **PROPOSED ADOPTION OF A NEW SET OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

The above proposals will be tabled as Special Business at the Company's **Forty-Fifth (45<sup>th</sup>)** Annual General Meeting (45<sup>th</sup> AGM").

The Notice of the 45<sup>th</sup> AGM of the Company together with a Form of Proxy are enclosed together with the Annual Report for the financial year ended 30 June 2014. The 45<sup>th</sup> AGM will be held at **Crystal Function Room, 4<sup>th</sup> Floor, Mutiara Complex, 3 ½ Miles Jalan Ipoh, 51200 Kuala Lumpur on Tuesday, 9 December 2014 at 1.30 p.m.**

Your Form of Proxy should reach the Registered Office of the Company at Trace Management Services Sdn Bhd, Suite 12.03, 12<sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on or before the date and time indicated below should you be unable to attend the 45<sup>th</sup> AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodgment of Form of Proxy	:	<b>7 December 2014 at 1.30 p.m.</b>
Date and time of AGM	:	<b>9 December 2014 at 1.30 p.m.</b>

This Circular is dated 17 November 2014

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## **DEFINITIONS**

The following words and phrases shall apply throughout this Circular:

“Act”	:	Companies Act, 1965 (as amended from time to time and any re-enactment thereof)
“AA”	:	Azlan bin Abdullah
“AGM”	:	Annual General Meeting
“Articles”	:	The Articles of Association of MIG, as amended from time to time
“Associated Company(ies)”	:	An associated company as defined by International Financial Reporting Standards as approved by the Malaysian Accounting Standards Board’s Approved Accounting Standards.
“AQAS”	:	Ausgard Quick Assembly Systems Sdn Bhd (Co. No. 1000862-D)
“Board” or “Directors”	:	The Board of Directors of MIG for the time being, and shall have the meaning given in Section 4 of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a Director or a Chief Executive Officer of MIG, its subsidiary or holding company.
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Co. No. 165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Co. No. 635998-W)
“CCM”	:	Companies Commission of Malaysia
“Code”	:	Malaysian Code on Take Overs and Mergers, 2010 as amended from time to time
“Datin Ezurin”	:	Datin Ezurin Yusnita binti Abdul Malik
“EPS”	:	Earnings Per Share
“Datuk KC”	:	Datuk Lim Kim Chuan
“IMSB”	:	Itemum Melewar Sdn Bhd (Co. No. 143124-A)
“Issued and Paid-Up Share Capital”	:	RM226,755,408.00 consisting of 226,755,408 ordinary shares of RM1.00 each in MIG
“KLB”	:	Khyra Legacy Berhad (Co. No. 741366-W)
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time.
“LPD”	:	31 October 2014, being the latest practicable date prior to the printing of this Circular
“MAACA”	:	MAA Corporate Advisory Sdn Bhd (Co. No. 537265-U)
“MAA Corp”	:	MAA Corporation Sdn Bhd (Co. No. 160773-W)
“MAAG”	:	MAA Group Berhad (Co. No. 471403-A)

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**DEFINITIONS** (Continuations)

“MAAG Group”	:	MAAG and its subsidiaries, collectively
“MAAT”	:	MAA Takaful Berhad (Co. No. 731996-H)
“Major Shareholders”	:	<p>Includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of MIG; major shareholder has been defined under the Listing Requirements as a person who has an interest or interests in one or more voting shares in MIG and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <p>(i) equal to or more than ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in MIG; or</p> <p>(ii) equal to or more than five percent (5%) or more of the aggregate of the nominal amounts of all the voting shares in MIG where such person is the largest shareholder of MIG.</p> <p>or any other corporation which is a subsidiary or holding company of MIG. (For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act)</p>
“MEBVI”	:	Melewar Equities (BVI) Ltd. (Co. No. 95686)
“Melewar Group of Companies”	:	Melewar Group and its subsidiaries, collectively
“MESB”	:	Melewar Equities Sdn Bhd (Co. No. 89878-X)
“MGB”	:	Melewar Group Berhad (Co. No. 303859-M)
“MIE”	:	Melewar Integrated Engineering Sdn Bhd (Co. No. 607061-A)
“MIG” or “Company”	:	Melewar Industrial Group Berhad (Co. No. 8444-W)
“MIG Group” or “Group”	:	MIG and its subsidiaries, collectively and its associates
“MIG Shares” or “Shares”	:	Ordinary share(s) of RM1.00 each in MIG
“MITL”	:	Melewar Industrial Technologies Ltd (Co. No. 1620112)
“MKSB”	:	Melewar Khyra Sdn Bhd (Co. No. 49841-V)
“MSB”	:	Mycron Steel Berhad (Co. No. 622819-D)
“MSE”	:	Melewar Steel Engineering Sdn Bhd (Co. No. 711676-D)
“MSS”	:	Melewar Steel Services Sdn Bhd (Co. No. 21834-P)
“MSB Group”	:	MSB and its subsidiaries, collectively
“MSCRC”	:	Mycron Steel CRC Sdn Bhd (Co. No. 177492-W)
“MSM”	:	Melewar Steel Mills Sdn Bhd (Co. No. 97904-K)
“M-Power”	:	M-Power TT Ltd (Co. No. LL 05050)

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**DEFINITIONS** (Continuations)

"NA"		Net Assets
"MST"		Melewar Steel Tube Sdn Bhd (Co. No. 111059-D)
"Person(s) Connected"		Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
"Proposals"	:	Collectively, Proposed Renewal of Share Buy-Back Authority, Proposed Renewal of Shareholders' Mandate, Proposed New Shareholders' Mandate and Proposed Adoption
"Proposed New Shareholders' Mandate"	:	Proposed new shareholders' mandate for MIG Group to enter into new RRPT(s) with Related Parties
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of shareholders' authority to enable MIG to purchase MIG Shares up to ten percent (10%) of the issued and paid-up share capital of MIG as at 31 October 2014
"Proposed Renewal of Shareholders' Mandate"	:	Proposed renewal of existing shareholders' mandate for MIG Group to enter into RRPT(s) with Related Parties and/or shareholders' mandate for recurrent transactions in relation to provision of financial assistance approved at the AGM held on 29 November 2013.
"Proposed Adoption"	:	Proposed adoption by the Company of the new Memorandum and Articles of Association as set out in Appendix 1 of this Circular
"Proposed Waiver"	:	Under Practice Note 2.9.10 of the Code for MEBVI and the parties acting in concert with MEBVI, from the obligation to undertake a mandatory offer for the remaining shares not already owned by MEBVI and the parties acting in concert subsequent to the implementation of the Proposed Renewal of Share Buy-Back Authority
"Record of Depositors"	:	A record of securities holders established by the Bursa Depository under the rules of Bursa Depository
"RRPT(s)"	:	Related party transaction(s) involving recurrent transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business of the MIG Group
"Related Party(ies)"	:	A Director, Major Shareholder or person connected with such Director or Major shareholder of MIG and includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a Director or Major Shareholder of MIG or any other company which is its subsidiary or holding company.
"RM" and "Sen"	:	Ringgit Malaysia and Sen respectively
"SC"	:	Securities Commission
"Shares" or "Purchased Shares"	:	Shares purchased by MIG pursuant to the Proposed Renewal of Share Buy-Back Authority
"Share Buy-Back Authority"	:	Existing authority granted by the shareholders of MIG at the AGM held on 29 November 2013 for MIG to purchase MIG Shares up to ten percent (10%) of the issued and paid-up share capital of MIG

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**DEFINITIONS** (Continuations)

“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting shares in the Company
“TY”	:	Tunku Dato’ Ya’acob bin Tunku Tan Sri Abdullah
“TTY”	:	Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
“Trace”	:	Trace Management Services Sdn Bhd (Co. No. 48646-M)

All references to “you” in this Circular is to the shareholders of the Company. All references to “we”, “us”, “our” and “our company” in this Circular is to the Company.

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

Any reference in this 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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**MELEWAR INDUSTRIAL GROUP BERHAD**

(Co. No. 8444-W)  
(Incorporated in Malaysia)

Registered Office:

Suite 12.03, 12<sup>th</sup> Floor  
No. 566, Jalan Ipoh  
51200 Kuala Lumpur

Date : 17<sup>th</sup> November 2014

**BOARD OF DIRECTORS:**

**Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah**  
(Executive Chairman)

**En Azlan bin Abdullah**  
(Managing Director/Group Chief Executive Officer)

**Datuk Lim Kim Chuan**  
(Executive Director)

**Mr Uwe Ahrens**  
(Executive Director)

**Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah**  
(Independent Non-Executive Director)

**En Shazal Yusuf bin Mohamed Zain**  
(Independent Non-Executive Director)

**Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah**  
(Non-Independent Non-Executive Director)

**Datin Ezurin Yusnita binti Abdul Malik**  
(Non-Independent Non-Executive Director)

**Major General Datuk Lai Chung Wah (Rtd)**  
(Independent Non-Executive Director)

**Mr Muk Sai Tat**  
(Independent Non-Executive Director)

To: The Shareholders of **Melewar Industrial Group Berhad**

Dear Sir/Madam,

**PART A**

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



## **PART B**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE; AND**
- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

## **PART C**

- **PROPOSED ADOPTION OF A NEW SET OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**
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### **I. INTRODUCTION**

On 29 November 2013, the Company announced that the shareholders had approved the following proposals at the AGM held on 29 November 2013:

- a. Authority for the Company to purchase up to ten percent (10%) of the existing Issued and Paid-Up Share Capital of MIG in accordance with Section 67A of the Act ("Share Buy-Back Authority"); and
- b. Authority to renew the shareholders' mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations and are in the ordinary course of business of MIG Group and shareholders' mandate for recurrent transactions in relation to provision of financial assistance ("Shareholders' Mandate").

The said authorisation will, in accordance with the Listing Requirements, expire at the conclusion at the forthcoming AGM of MIG which will be held on 9 December 2014 unless renewal is obtained.

The Company had on 27 October 2014 announced to Bursa Securities its intention to seek shareholders' approval on the following Proposals at the forthcoming AGM to be held on 9 December 2014:

- (i) Proposed Renewal of Share Buy-Back Authority;
- (ii) Proposed Renewal of Shareholders' Mandate;
- (iii) Proposed New Shareholders' Mandate; and
- (iv) Proposed Adoption of a new set of Memorandum and Articles of Association of the Company

The purpose of this Circular is to provide you with details on the Proposals and to seek your approval for the resolutions thereto to be tabled at the forthcoming AGM of the Company to be convened at Crystal Function Room, 4<sup>th</sup> Floor, Mutiara Complex, 3½ Miles Jalan Ipoh, 51200 Kuala Lumpur on Tuesday, 9<sup>th</sup> December 2014 at 1.30 p.m.

The notice convening the AGM together with the Form of Proxy have been set out in the Annual Report 2014. The details of the Proposals are set out in Parts A, B and C of this Circular respectively.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM. THE PROPOSALS ARE NOT INTER-CONDITIONAL UPON ONE ANOTHER.**

**PART A**

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

## **1.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

At the AGM of MIG held on 29 November 2013, the shareholders had, inter-alia, approved the Renewal of Share Buy-Back Authority. In compliance with the Listing Requirements and resolution passed by the shareholders on 29 November 2013, the authority granted to MIG to purchase its own shares on Bursa Securities will expire at the conclusion of the Forty-Fifth (45<sup>th</sup>) AGM of MIG to be held on 9 December 2014 unless renewed by a resolution passed by the shareholders of MIG in a general meeting. The shares will be purchased from the open market through Bursa Securities. The total cumulative MIG Shares purchased by the Company and held as treasury shares to date up to and including 31 October 2014 are 1,232,600 ordinary shares of RM1.00 each. As at 31 October 2014, the issued and paid-up share capital of MIG amounted to RM226,755,408 comprising 226,755,408 Shares. As such, the balance that can be purchased by the Company taking into the account the cumulative treasury shares held up to 31 October 2014 is 21,442,940 ordinary shares of RM1.00 each.

The Board proposes to seek approval from the shareholders for a renewal of authorisation to enable MIG to purchase up to ten percent (10%) of the issued and paid-up ordinary share capital of the Company as quoted on the Bursa Securities at any point in time.

The authority conferred by this resolution may only continue to be in force until:

- (a) the conclusion of the next annual general meeting of MIG following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

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

### **1.1 Funding**

The funding for the Proposed Renewal of Share Buy-Back Authority will be wholly from internally generated funds and/or borrowings or a combination of both, the proportion of which to be utilized will depend on the actual number of MIG Shares to be purchased, the price of MIG Shares and the availability of funds of the Group at the time of purchase. In the event that borrowings are used for the Proposed Renewal of Share Buy-Back Authority, the amount of borrowings will depend on the amount of MIG Shares to be purchased by the Company and the appropriate borrowing capacity of the Company. The Company's net cash flow may be affected to the extent of the interest costs associated with any borrowings. The Directors of MIG will ensure that the Company is able to meet the repayment of such borrowings, if any.

The maximum amount allocated for such transactions shall not exceed the aggregate balance standing in the retained profits and/or share premium accounts of the Company. Based on the latest audited accounts of the Company for the financial year ended 30 June 2014, the Company's share premium account amounted to RM241,447.00.

## **1.2 Treatment of Purchased Shares**

When Shares are purchased by the Company, the Directors may resolve to cancel the Shares so purchased and/or retain the Shares so purchased to be held as treasury shares. Where the Directors resolve to cancel the Shares so purchased, the Company's Issued and Paid-Up Share Capital shall be diminished by the cancellation of the Shares so purchased and the amount by which the Company's issued capital is diminished shall be transferred to a capital redemption reserve. It is pertinent to note that the cancellation of shares made pursuant to Section 67A of the Act, shall not be deemed to be a reduction in share capital as the capital redemption reserve shall be treated as if it were part of shareholders' funds. Where the Directors resolve to retain the Shares so purchased as treasury shares, the Directors may distribute the treasury shares as share dividends to shareholders and/or resell the treasury shares on the Bursa Securities and/or cancel the treasury shares. While the Shares so purchased are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended.

## **1.3 The Purchase Price**

Under Bursa Securities' Listing Requirements governing purchase of own shares by listed corporations, MIG may only purchase its own shares listed on Bursa Securities at a price which is not more than fifteen per cent (15%) above the weighted average market price for the Shares for the five (5) market days immediately before the date of the purchase(s).

## **1.4 The Resale Price**

In the case of a resale of treasury shares, if any, the Company may only resell treasury shares on Bursa Securities at:

- i. a price which is not less than the weighted average market price of the Shares for the past five (5) market days immediately before the date of the resale(s); or
- ii. a discounted price of not more than five percent (5%) to the weighted average market price for the Shares for the five (5) market days immediately before the resale provided that:
  - (a) the resale takes place no earlier than thirty (30) days from the date of purchase; and
  - (b) the resale price is not less than the cost of purchase of the Shares being resold.

## **1.5 Public Shareholding Spread**

Based on the Record of Depositors maintained by Bursa Malaysia Depository Sdn Bhd as at 31 October 2014, being the latest practicable date prior to the printing of this Circular, 142,784,177 Shares representing 63.31% of the Issued and Paid-Up Share Capital (excluding treasury shares) were held by public shareholders. Pursuant to the Proposed Renewal of Share-Buy Back Authority, assuming that the Share Buy-Back is implemented in full and that the Purchased Shares are from public shareholders, the public shareholding spread would reduce to approximately 59.45%. The Board of Directors of the Company undertakes to purchase shares only to the extent that not less than 25% of the Issued and Paid-Up Share Capital (excluding treasury shares) are in the hands of public shareholders at all times, as required under Paragraph 8.02(1) of the Listing Requirements.

## **1.6 Other requirements**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws, rules, regulations, order, guidelines and requirements issued by the relevant authorities at the time of purchase.

In the event that the Company wishes to purchase its own shares, the Company is required to make a declaration of solvency to Bursa Securities and release an announcement on the day the purchase is made providing details on the description of Shares purchased, the number of Shares purchased, the price of each Share or where relevant, the highest or lowest price paid, the total consideration paid and whether all or any of the Shares are proposed to be cancelled and the adjusted share capital.

In the event that the Company wishes to cancel the Company's Shares purchased and/or the Company's treasury shares, the Company is required to release an announcement on the day the cancellation is made providing the number of Shares cancelled, the date of cancellation and the outstanding issued and paid-up capital of the Company after the cancellation. While the Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purpose including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

In the event that the Company wishes to resell the Company's treasury shares, the Company is required to release an announcement on the day the resale is made providing the description of the Shares resold, the number of Shares resold, the resale price of each share or where relevant, the highest and lowest resale price and the total consideration received.

## **2.0 RATIONALE FOR AND RISK ASSESSMENT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board is of the opinion that empowering the Company to undertake the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and will provide an opportunity to the Company to purchase MIG shares on the Bursa Securities for the purpose of stabilising the supply and demand as well as the price of MIG Shares and consequently, the fundamental value of the Company may be preserved.

The Proposed Renewal of Share Buy-Back Authority will enable the MIG Group to utilise its financial resources that do not have an immediate usage to buy back the Shares of the Company and enhance the EPS of the Group (in the case where the Directors resolve to cancel the Shares so purchased and/or retain the Shares in treasury and the treasury shares are not subsequently resold). If the Shares bought back are kept as treasury shares, it will give the Directors an option to sell the Shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the Shares so purchased can be distributed as share dividends to shareholders.

The Proposed Renewal of Share Buy-Back Authority will also enable the MIG Group to utilise its financial resources to reduce the liquidity of MIG shares in the stock market which generally will have positive impact, everything being equal, to the market prices of the Shares.

## **Disadvantages of Proposed Renewal of Share Buy-Back Authority**

The Proposed Renewal of Share Buy-Back Authority, if implemented, will reduce the financial resources of the Group. This may result in the Group having to forego future investment opportunities and/or any income that may be derived from the deposit of such funds in interest bearing instruments. It may also result in a reduction of financial resources available for distribution in the form of cash dividends to shareholders of the Company. There is no material impact on the cash flow of the Company.

However, the financial resources of the Company may increase pursuant to the resale of the Shares held as treasury shares at prices higher than the purchase price. In this connection, the Board will be mindful of the interest of the Company and shareholders of the Company in implementing the Proposed Renewal of Share Buy-Back Authority and in subsequent resale.

### **3.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

#### **Share Capital**

The Proposed Renewal of Share Buy-Back Authority, if carried out in full and the Shares so purchased are cancelled, will reduce the issued and paid-up share capital of MIG as at 31 October 2014 by RM22,675,540 comprising of 22,675,540 Shares from RM226,755,408 comprising of 226,755,408 shares to RM204,079,868 comprising of 204,079,868 Shares. However, there will be no effect on the issued and paid-up share capital of MIG if the Shares so purchased are retained in treasury.

#### **NA per share and EPS**

The effect on NA per share and EPS of the Group will depend on the purchase price of the Shares and the number of Shares bought back. However, the Proposed Renewal of Share Buy-Back Authority, if exercised, will not have any material effect on the NA per share and EPS of the Group for the financial year ending 30 June 2015. If the purchase price of the Shares is less than NA per share, it will increase the NA and EPS per share of the Group and vice versa.

If the purchased MIG Shares are kept as treasury shares, the NA per share would decrease unless the cost per share of the treasury shares purchased is below the NA per share at the relevant point in time. This is due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of the Company.

#### **Working Capital**

Although the Proposed Renewal of Share Buy-Back Authority, if exercised, will reduce the working capital of the Group to the extent of the amount of funds utilised for the purchases of the Shares, it is not expected to have a material adverse effect on the working capital of the Group.

#### **Dividends**

The Proposed Renewal of Share Buy-Back Authority may reduce the amount of distributable reserves available for dividends. However, the Board may distribute future dividends in the form of shares which have been bought back and retained as treasury shares.

#### 4.0 SHAREHOLDINGS OF DIRECTORS AND MAJOR SHAREHOLDERS

Save for the inadvertent increase in the percentage shareholdings of the Directors and Major Shareholders as a result of the decrease in the Issued and Paid-Up Share Capital after the Proposed Renewal of Share Buy-Back Authority, none of the Directors or Major Shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of treasury shares.

The table below shows the equity interests in the Company held directly and indirectly by the Directors and Major Shareholders as at 31 October 2014 and their proforma percentage shareholdings in the Company assuming that the Proposed Renewal of Share Buy-Back Authority was carried out in full on 31 October 2014.

##### Directors

Directors	Existing (a)				After Proposed Renewal of Share Buy-Back Authority (b)			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
TY	Nil	Nil	82,381,232 <sup>(1)</sup>	36.53	Nil	Nil	82,381,232 <sup>(1)</sup>	40.37
TYT	Nil	Nil	82,381,232 <sup>(2)</sup>	36.53	Nil	Nil	82,381,232 <sup>(2)</sup>	40.37
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Datin Ezurin	Nil	Nil	82,381,232 <sup>(2)</sup>	36.53	Nil	Nil	82,381,232 <sup>(2)</sup>	40.37
AA	133,333	0.06	Nil	Nil	133,333	0.07	Nil	Nil
Datuk KC	186,666	0.08	Nil	Nil	186,666	0.09	Nil	Nil
Uwe Ahrens	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Major General Datuk Lai Chung Wah (Rtd)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shazal Yusuf bin Mohamed Zain	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Muk Sai Tat	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Major Shareholders

Major Shareholders	Existing (a)				After Proposed Renewal of Share Buy-Back Authority (b)			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
MEBVI	60,379,733	26.77	Nil	Nil	60,379,733	29.59	Nil	Nil
MKSB	22,001,499	9.76	Nil	Nil	22,001,499	10.78	Nil	Nil
MESB	Nil	Nil	60,379,733 <sup>(3)</sup>	26.77	Nil	Nil	60,379,733 <sup>(3)</sup>	29.59
IMSB	Nil	Nil	60,379,733 <sup>(4)</sup>	26.77	Nil	Nil	60,379,733 <sup>(4)</sup>	29.59
MGB	Nil	Nil	60,379,733 <sup>(5)</sup>	26.77	Nil	Nil	60,379,733 <sup>(5)</sup>	29.59
KLB	Nil	Nil	82,381,232 <sup>(6)</sup>	36.53	Nil	Nil	82,381,232 <sup>(6)</sup>	40.37

### Notes:

- (a) Total percentage of shareholdings as at 31 October 2014. The percentages of shareholdings of the directors and Major Shareholders are calculated by dividing the shares held by the respective directors and Major Shareholders with the total number of ordinary shares in issue, excluding 1,232,600 treasury shares held by the Company.
- (b) Proforma total percentage shareholdings in the Company assuming that the Proposed Renewal of Share Buy-Back Authority was carried out in full on 31 October 2014.
- (1) Deemed interested by virtue of Section 6A(4) and Section 122A(1)(b) of the Act via MEBVI and MKSB.
- (2) Deemed interested by virtue of their family relationship with TY, who is the ultimate Substantial Shareholder of MEBVI and MKSB.
- (3) Deemed interested by virtue of it being the holding company of MEBVI, a Substantial Shareholder of MIG.
- (4) Deemed interested by virtue of it being a Substantial Shareholder of MESB, who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.
- (5) Deemed interested by virtue of it being a Substantial Shareholder of IMSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.
- (6) Deemed interested by virtue of it being a Substantial Shareholder of IMSB and the holding company of MKSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.

## 5.0 IMPLICATIONS RELATING TO THE CODE

In the event that the Company acquires the full amount of Shares authorized under the Proposed Renewal of Share Buy-Back Authority which is 22,675,540 and all the shares so acquired are cancelled, the combined equity interest in the Company of MEBVI and parties acting in concert namely TY, MKSB, MESB, IMSB, MGB and KLB based on its shareholding as at 31 October 2014 will be increased from 36.53% to 40.37%.

If the Proposed Renewal of Share Buy-Back Authority results in the equity interest of MEBVI and parties acting in concert namely TY, MKSB, MESB, IMSB, MGB and KLB increasing in any period of six (6) months by more than 2% pursuant to Part II of the Code, MEBVI and the parties acting-in-concert with MEBVI based on shareholding as at 31 October 2014, will be obliged to undertake a mandatory offer for MIG shares not held by them collectively.



However, a waiver may be granted by the SC under Practice Note 2.9.10(I) of the Code, if the holder of voting shares, who, as a result of a reduction of the voting shares of the Company through a share buy back scheme under the Act has increased his holding of voting shares to more than 33% or, if his existing holding of voting shares is more than 33% but less than 50%, or by more than 2% in any six (6) months period, will be exempted if, the obligation is triggered as a result of action outside their direct participation. MEBVI and the parties acting-in-concert with MEBVI intend to apply for the Proposed Waiver if the obligation is expected to be triggered as a result of the Proposed Renewal of Share Buy-Back Authority.

## **6.0 PURCHASE OR RESALE OF OWN SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS**

There was no purchase or resale of own shares made by the Company during the financial year ended 30 June 2014. As such, the number of shares the Company had purchased and retained as treasury shares as of to-date totalled 1,232,600 MIG Shares. None of the treasury shares were resold or cancelled.

## **7.0 SHARE PRICES**

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

	<b>High (RM)</b>	<b>Low (RM)</b>
<b><u>Year 2013</u></b>		
November	0.26	0.18
December	0.25	0.20
<b><u>Year 2014</u></b>		
January	0.24	0.20
February	0.25	0.20
March	0.21	0.18
April	0.28	0.18
May	0.25	0.22
June	0.24	0.21
July	0.26	0.21
August	0.27	0.23
September	0.50	0.31
October	0.34	0.28

Last transacted market price of MIG shares on 27 October 2014 (being the last trading date prior to the announcement of the Proposed Renewal of Share Buy-Back Authority) was RM0.33.

Last transacted market price of MIG shares on 11 November 2014 (being the latest practicable date prior to the printing of this Circular) was RM0.355.

*(Source : Bloomberg/The Star)*

## **8.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors or Substantial Shareholders and/or persons connected to them has any interest, direct or indirect in the Proposed Renewal of Share Buy-Back Authority.

**PART B**

- **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE; AND**
- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

## **1.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE**

Under Paragraph 10.09(2) of the Listing Requirements, MIG may seek a shareholders' mandate in respect of RRPT(s) which are necessary for its day-to-day operations subject to the following:

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favorable to the Related Party(ies) than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the Company's Circular to Shareholders shall include all information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder(s) and/or interested persons 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 also ensure that persons connected with him/her/it abstain from voting on the resolution approving the transactions; and
- (v) MIG immediately announces to Bursa Securities when the actual value of a RRPT entered into by MIG exceeds the estimated value of the RRPT disclosed in the Circular to Shareholders by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Transactions entered between a listed issuer (or any of its wholly owned subsidiaries) and its wholly owned subsidiary are excluded from the requirements of Chapter 10.09(2) of the Listing Requirements.

The MIG Group has entered into certain RRPT(s) in the ordinary course of business and it is anticipated that the MIG Group would, in the ordinary course of business, continue to enter into such RRPT(s) referred to in Section 3.3 (A), (B) and (C) of Part B of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive, confidential and frequent nature of such RRPT(s), the Board is seeking the shareholders' approval for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate to allow the MIG Group to enter into RRPT(s) which are necessary for the Group's day-to-day operations and are in the ordinary course of business with the Related Parties as set out in Section 3.3 (A), (B) and (C) of Part B of this Circular, provided that such transactions are to be made at arm's length, on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public and which are not detrimental to the minority shareholders of the Company. The RRPT(s) will also be subject to the review procedures as set out in Section 5.0 of Part B of this Circular.

Paragraph 3.4 of Practice Note 12 stipulates that notwithstanding Paragraph 3.2(d) of Practice Note 12 and subject to Paragraph 10.09 of the Listing Requirements and the other provisions of this Practice Note, a listed issuer may obtain a mandate from its shareholders in respect of the following RRPT(s):

- (a) the pooling of funds within the listed company's group of companies via a centralized treasury management function or such similar arrangements which entails the provision of financial assistance by the listed issuer and/or its unlisted subsidiaries on a short or medium term basis provided that:
  - (i) the listed issuer in seeking such mandate in accordance with Paragraphs 8.23 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance (hereinafter referred to as "the Estimate"); and
  - (ii) notwithstanding Paragraph 10.09(2)(e) of the Listing Requirements if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed issuer must immediately announce the same to Bursa Securities. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is five percent (5%) or more, the listed issuer must comply with Paragraph 10.08 of the Listing Requirements.

For purpose of this Paragraph:

- (aa) "short or medium term basis" shall mean for a duration not exceeding three (3) years; and
  - (bb) "group of companies" means the subsidiaries, associated companies of the listed issuer and the listed issuer's immediate holding company which is listed.
- (b) provision of guarantee, indemnity or such other collateral to or in favor of another person which is necessary in order to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for the listed issuer or its subsidiaries.
- (c) provision of financial assistance in respect of the business of:
  - (i) leasing, factoring or hire purchase carried out by the listed issuer or its unlisted subsidiaries; or
  - (ii) share financing or share margin financing carried out by a listed issuer or its unlisted subsidiaries which is a participating organisation; or
  - (iii) such other similar business that may be determined by Bursa Securities.

Paragraph 8.23(2)(a) of the Listing Requirements states that where a listed issuer or its subsidiaries provide financial assistance to or in favor of the following:

- (i) directors or employees of the listed issuer or its subsidiaries;
- (ii) persons to whom the provision of financial assistance:
  - (aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or
  - (bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;

such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its money lending business; or

- (iii) the subsidiaries or associated companies of the listed issuer, the listed issuer (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed;

the board of directors of the listed issuer must ensure that the provision of financial assistance referred to the above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders.

In compliance with Paragraph 10.09(2) of the Listing Requirements, Practice Note 12 and 14, and in view of the frequent nature of such transactions, MIG now proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for the RRPT(s). The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate shall apply in respect of RRPT(s) to be entered into from the passing of the ordinary resolutions at the forthcoming AGM of the Company or at any adjournment thereof until:

- (i) the conclusion of the next AGM of the Company following the AGM at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier (collectively referred to as "the Validity Period").

Disclosure will be made in accordance with Paragraph 3.1.5 of Practice Note 12 issued by Bursa Securities, which requires the breakdown of the aggregate value of the RRPT(s) entered into during the financial year based on, amongst others, the following information:

- (i) types of RRPT(s); and
- (ii) names of Related Parties involved in each type of RRPT(s) entered into and their relationship with the Company,

pursuant to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate in the Company's Annual Report, and in the annual report for subsequent years that the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate continues to be in force.

The principal activities of the Company are investment property holdings and investment holdings. The principal activities of its subsidiaries are as follows:

**Subsidiaries Companies of MIG**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Mycron Steel Berhad	54.8	Investment holding and provision of management services to subsidiaries.
Melewar Steel Services Sdn Bhd	100	Investment holding.
Melewar Steel Tube Sdn Bhd	100	Manufacturing of steel pipes and tubes, steel tube trading, sales and marketing operation and provision of engineering services.
Melewar Integrated Engineering Sdn Bhd	70	Provision of engineering and technical consultancy services.
Melewar Steel Assets Sdn Bhd	100	Property investment.
Melewar Steel Mills Sdn Bhd	100	Manufacturing, distributing and trading of steel and iron products.
Melewar Industrial Technologies Ltd	100	Investment holding.
Melewar Steel Engineering Sdn Bhd	100	Investment holding.
Melewar Ecology Sdn Bhd (Formerly known as Melewar Metro Sdn Bhd)	100	Dormant.

**Subsidiary of Mycron Steel Berhad**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Mycron Steel CRC Sdn Bhd	100	Manufacturing and trading of cold rolled coils

**Subsidiary of Mycron Steel CRC Sdn Bhd**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Silver Victory Sdn Bhd	100	Dormant

**Subsidiary of Melewar Steel Engineering Sdn Bhd**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
M-Power TT Ltd	100	Project Management

**Associates of Melewar Steel Engineering Sdn Bhd**

Name of Company	% Held	Principal Activities
Mperial Power Ltd	49	Investment Holding

**Note :**

Melewar Steel Engineering Sdn Bhd had completed the disposal of 51% of Mperial Power Ltd to E Power Pte Ltd on 30 April 2014 and as such Mperial Power Ltd and all its subsidiaries would cease to be sub-subsidiaries of MIG with effect from 1 May 2014.

**Subsidiaries of Mperial Power Ltd**

Name of Company	% Held	Principal Activities
Siam Power Generation Public Company Limited	98.40	Power generation
Siam Power Phase 2 Company Limited	100	Power generation
Siam Power Phase 3 Company Limited	100	Power generation

**Subsidiary of Melewar Ecology Sdn Bhd (formerly known as Melewar Metro Sdn Bhd)**

Name of Company	% Held	Principal Activities
Melewar Environment Sdn Bhd (formerly known as Metro (Penang) Sdn Bhd)	95	Dormant

**Subsidiaries of Melewar Industrial Technologies Ltd**

Name of Company	% Held	Principal Activities
Ausgard Quick Assembly Systems Sdn Bhd	100	Manufacturing and supply of quick assembly homes
Melbina Builders Ltd	100	Marketing of quick assembly homes system in overseas market

Name of Company	% Owned	Principal Activities
Melewar Mycrosmelt Technology Ltd	50% by Melewar Integrated Engineering Sdn Bhd and 50% by Melewar Steel Mills Sdn Bhd.	Smelting/billet making technology owner

**2.0 CLASSES OF RELATED PARTY(IES) WITH WHOM TRANSACTIONS WERE AND WILL BE CARRIED OUT**

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate would apply to transactions with Related Parties as described below:

(i) Major Shareholders

Name of Companies	Principal Activities	Relationship
TY	-	<p>TY is the Non-Executive Chairman and Executive Chairman of MSB and MIG respectively.</p> <p>He is deemed interested in MIG by virtue of him being a Director and ultimate Substantial Shareholder of MEBVI, MKSB, MESB, IMSB, MGB and KLB who collectively are Major Shareholders of MIG.</p>
KLB	Investment holding	<p>KLB is a Substantial Shareholder of IMSB and the holding company of MKSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.</p> <p>TY is the founder and ultimate beneficial owner of KLB.</p>
IMSB	Investment holding	<p>IMSB is a Substantial Shareholder of MESB, who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.</p> <p>The holding company of IMSB is KLB.</p>
MESB	Investment holding	<p>MESB is the holding company of MEBVI, a Substantial Shareholder of MIG.</p> <p>MESB is also a Substantial Shareholder of MAAG.</p> <p>The ultimate holding company of MESB is KLB.</p>
MEBVI	Investment holding	<p>MEBVI is a Substantial Shareholder of MIG who in turn is a Substantial Shareholder of MSB.</p> <p>MEBVI is also a Substantial Shareholder of MAAG.</p> <p>The ultimate holding company of MEBVI is KLB.</p>
MKSB	Investment holding	<p>MKSB is a Substantial Shareholder of MIG who in turn is a Substantial Shareholder of MSB.</p> <p>MKSB is also a Substantial Shareholder of MAAG.</p> <p>The ultimate holding company of MKSB is KLB.</p>



<b>Name of Companies</b>	<b>Principal Activities</b>	<b>Relationship</b>
MGB	Investment holding	MGB is a Substantial Shareholder of IMSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.

(ii) **Persons Connected to Interested Directors of the Company and/or the Interested Major Shareholders of the Company**

<b>Name of Related Parties</b>	<b>Principal Activities</b>	<b>Relationship</b>
TYT	-	Deemed interested by virtue of his relationship with TY.  TYT is the brother of TY.
Datin Ezurin	-	Deemed interested by virtue of her relationship with TY.  Datin Ezurin is the wife of TY.
MAAG	Investment holding and providing management services	KLB is the ultimate holding company of MKSB and MEBVI who collectively are Major Shareholders of MAAG.  TY is a director of MAAG.
Trace	Providing corporate secretarial services	A company in which TYT and TY have deemed interest by virtue of their substantial interest in The Melewar Corporation Berhad, who in turn is the Major Shareholder of Trace.
MAACA	Providing corporate advisory and consultancy services	MAACA is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG.
MAAT	General and life insurance business	MAAT is a 75% owned subsidiary of MAAG.

The direct and indirect interest of interested Directors and interested Major Shareholders in MIG as at **31 October 2014** are as follows:

Name	Direct Interest	% <sup>(a)</sup>	Indirect Interest	% <sup>(a)</sup>
<b><u>Interested Directors:</u></b>				
TY	Nil	Nil	82,381,232 <sup>(1)</sup>	36.53
TYT	Nil	Nil	82,381,232 <sup>(2)</sup>	36.53
Datin Ezurin	Nil	Nil	82,381,232 <sup>(2)</sup>	36.53
<b><u>Interested Major Shareholders:</u></b>				
MEBVI	60,379,733	26.77	Nil	Nil
MKSB	22,001,499	9.76	Nil	Nil
MESB	Nil	Nil	60,379,733 <sup>(3)</sup>	26.77
IMSB	Nil	Nil	60,379,733 <sup>(4)</sup>	26.77
MGB	Nil	Nil	60,379,733 <sup>(5)</sup>	26.77
KLB	Nil	Nil	82,381,232 <sup>(6)</sup>	36.53

**Notes:**

- (a) The percentages of shareholdings of the Directors and Major Shareholders are calculated by dividing the shares held by the respective Directors and Major Shareholders with the total number of ordinary shares in issue, excluding 1,232,600 treasury shares held by the Company.
- (1) Deemed interested by virtue of Section 6A(4) and Section 122A(1)(b) of the Act via MEBVI and MKSB.
- (2) Deemed interested by virtue of their family relationship with TY, who is the ultimate Substantial Shareholder of MEBVI and MKSB.
- (3) Deemed interested by virtue of it being the holding company of MEBVI, a Substantial Shareholder of MIG.
- (4) Deemed interested by virtue of it being a Substantial Shareholder of MESB, who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.
- (5) Deemed interested by virtue of it being a Substantial Shareholder of IMSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.
- (6) Deemed interested by virtue of it being a Substantial Shareholder of IMSB and the holding company of MKSB. IMSB is a Substantial Shareholder of MESB who in turn is the holding company of MEBVI, a Substantial Shareholder of MIG.

### **3.0 NATURE OF RRPT(S)**

#### **3.1 GENERAL DETAILS OF RRPT(S)**

The types of RRPT(s) to be covered by the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate relate principally to transactions for the provision of product and services to/from the Related Parties which are necessary for the Group's day-to-day operations and in the ordinary course of the MIG Group's business.

The details of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate to be sought are set out in Tables 3.3(A), 3.3(B) and 3.3(C) below. The estimated aggregate value of the following transactions may vary from time to time subject to changes.

The actual value of transactions reflected in the 8<sup>th</sup> column of Table 3.3(A) and 3.3(B) is the aggregate amount of the transactions calculated from the date of the AGM held in 2013 which was 29 November 2013 up to the latest practicable date prior to the printing of this Circular which did not exceed by 10% or more of the estimated value as approved under the previous shareholders' mandate granted to the Company at the 44<sup>th</sup> AGM held on 29 November 2013 except for RRPT referred to Table 3.3(A)(7) on Page 29 in respect of the sale of scrap by MSCRC to MSM which had exceeded the estimated value of the RRPT by more than ten percent (10%) due to higher external scrap selling prices; an announcement on this was made to Bursa Securities on 21 October 2014.

#### **3.2 AMOUNTS DUE AND OWING TO MIG GROUP BY THE RELATED PARTIES**

As at the financial year ended 30 June 2014, there were no amounts due or owing to MIG Group by its Related Parties, which exceeded the credit term given arising from the RRPTs as per Section 3.3 (A) and (B) of Part B of this Circular.

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3.3(A) CLASS AND NATURE OF RRPT(S)

Proposed Renewal of Shareholders' Mandate for RRPT with Melewar Group of Companies

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	( <sup>(1)</sup> Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
1.	Trace	Provision of corporate secretarial services by the Related Party to MIG Group	<b>Interested Directors</b> TY, TYY and Datin Ezurin	TY and TYY are deemed interested in Trace by virtue of their major shareholdings in The Melewar Corporation Berhad, the Substantial Shareholder of Trace.  Datin Ezurin is therefore deemed interested by virtue of her family relationship with TY based on Section 122A(1)(a) of the Act.	Nil	500,000	300,212	500,000

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**Proposed Renewal of Shareholders' Mandate for RRPT(s) with MAAG Group**

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
1.	MAA Corp	Office Rental charged by the Related Party to MIG Group  (Please refer to Note 2 of Page 33 of this Circular)	<b>Interested Directors</b> TY, TYT and Datin Ezrin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MAA Corp.  TY is the founder and ultimate beneficial owner of KLB.  TYT and Datin Ezrin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MAA Corp is a wholly owned subsidiary of MAAAG whose ultimate major shareholder is KLB.	150,000	61,358	150,000

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No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1)Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
2.	MAA Corp	Office service charge by the Related Party to MIG Group  (Please refer to Note 3 of Page 33 of this Circular)	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MAA Corp.  TY is the founder and ultimate beneficial owner of KLB.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate major shareholder is KLB.	150,000	13,805	150,000
3.	MAACA	Provision of corporate consultancy services by the Related Party to MIG Group	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MAACA.  TY is the founder and ultimate beneficial owner of KLB.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MAACA is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	500,000	Nil	500,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
4.	MAAT	Provision of Insurance business by the Related Party to MIG Group	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MAAT.  TY is the founder and ultimate beneficial owner of KLB.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MAAT is a 75% owned subsidiary of MAAG whose ultimate major shareholder is KLB.	3,000,000	1,912,048	3,000,000

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No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to 31.07.2014)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
5.	MAAG	Office Rental charged by MIE to Related Party  (Please refer to Note 4 of Page 33 of this Circular)	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Shareholders</b> MEBV, MGSB, IMSB, MGB and KLB	TY is deemed interested in MAAG.  TY is the founder and ultimate beneficial owner of KLB.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	KLB is the ultimate major shareholder of MAAG.	100,000	28,600	Nil

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## Proposed Renewal of Shareholders' Mandate for RRPT(s) with MSB Group

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
1.	MSCRC	Provision of treasury services by MIG to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	240,000	Nil	240,000
2.	MSCRC	Provision of finance, payroll and information technology services by MST to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MST is a wholly owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	200,000	66,000	200,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
3.	MSCRC	Rental charged by the Related Party to MSM for using land belonging to the Related Party  (Please refer to Note 5 of Page 33 of this Circular)	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MSM is a wholly owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	252,000	Nil	252,000
4.	MSCRC	Purchase of cold rolled coils by MST from the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MST is a wholly owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	100,000,000	14,760,463	100,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
5.	MSCRC	Sale of pipes by MIG to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	400,000	16,728	400,000
6.	MSCRC	Sale of second grade pipes and provision of slitting services by MST to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MST is a wholly owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	350,000	Nil	350,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
7.	MSCRC	Sale of scrap by the Related Party to MSM	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MSM is a wholly owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	8,000,000	10,176,391	15,000,000
8.	MSCRC	Provision of technical consultancy services by MIE to the Related Party for expansion projects in cold roll mill	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.  MIE is a 70% owned subsidiary of MIG.  MIG is the Substantial Shareholder of MSB by virtue of its 54.8% shareholding in MSB.	1,200,000	Nil	1,200,000

## Proposed Renewal of Shareholders' Mandate for RRPT(s) with MIE

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
1.	MIE	Provision of technical and consultancy services by the Related Party to MSM for expansion projects in induction mill	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MIE by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MIE is a 70% owned subsidiary of MIG.  MSM is a wholly owned subsidiary of MIG.	500,000	Nil	500,000
2.	MIE	Sales of steel bar by MSM to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MIE by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MIE is a 70% owned subsidiary of MIG.  MSM is a wholly owned subsidiary of MIG.	3,000,000	Nil	3,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
3.	MIE	Provision of professional services by the Related Party to MIG in relation to a joint development study on pellet plant	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIE and MIG by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MIE is a 70% owned subsidiary of MIG.	500,000	Nil	500,000

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### 3.3(B) NATURE OF RRPT(S) FOR THE PROVISION OF FINANCIAL ASSISTANCE

The RRPT(s) for the provision of financial assistance between MIG Group and the classes of related parties and the nature of transactions are as follows :

No.	Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party	Value of Transaction (RM)		
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 7.11.2013 ("Estimated Value")	Actual value transacted (from the date of AGM held on 29.11.2013 up to LPD)	(1) Estimated aggregate value during the Validity Period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")
1.	Provision of guarantees, indemnity or such other collateral to or in favour of another person which is necessary in order for MIE to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for the MIG Group.	MIE	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIE and MIG by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	Not exceeding RM10.0 million	Nil	Not exceeding RM10.0 million
2.	Provision of financial assistance to the Group by the pooling of funds via a centralized treasury management function within the MIG Group on a short or medium term basis i.e. for a duration not exceeding three (3) years.	MIG Group	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Major Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG Group by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	Not exceeding RM200.0 million	Nil	Not exceeding RM200.0 million

**Note :**

(1) The Current Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes. None of the Actual Value of the RRPT(s) disclosed above has exceeded the Estimated Value by 10% or more except for item 7 of page 29 of this Circular.

(2) The particulars of tenancy entered into with MAA Corp (a subsidiary of MAAG) are as follows:-

Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
MIG	15 <sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur	2,789	2	3	Office rental

(3) Office service charged by MAA Corp to MIG Group for the use of common rooms located on the 15<sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur at a monthly fee of RM1,255.05.

(4) The particulars of tenancy entered into with MAAG are as follows:-

Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
MAAG	11 <sup>th</sup> Floor, No. 566 Jalan Ipoh, 51200 Kuala Lumpur	1,702	2.10	2.6	Office rental

The rental arrangement between MIE and MAAG was terminated on 31 July 2014 and as such there will be no need to seek renewal of shareholders' mandate for the forthcoming year.

(5) Details of the land belonging to MSCRC which is rented by MSM are as follows:-

- Rental rate : Nil
- Size : 1,237 sq. meter
- Location : Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan.
- Existing use : Scrap smelting facility which is now dormant



**(I) WITH MIE**

Melewar Industrial Group Berhad

## (II) WITH MSB GROUP

The Proposed New Shareholders' Mandate for RRPT(s) with MSB Group would be applicable subject to the receipt of approval from shareholders at the Extraordinary General Meeting ("EGM") of the Company for the proposed disposal of 100% equity interest held in MST to MSB for a disposal consideration of RM70.0 million to be satisfied in the following manner:

- (a) issuance of 104,545,455 new ordinary shares of RM0.25 each in MSB ("Consideration Shares") at an issue price of RM0.44 per Consideration Share amounting to RM46.0 million; and
  - (b) novation of trade debt by MIG to MSB in relation to an amount owing by MIG to MST amounting to RM24.0 million
- and the completion of all the condition precedents as set out in the Conditional Share Sale and Purchase Agreement dated 12 September 2014 ("the Completion"). Upon the Completion:-

- (i) MST will cease to be a wholly owned subsidiary of MIG and will then be a wholly owned subsidiary of MSB; and
- (ii) MIG will increase its shareholdings in MSB from 54.8% to approximately 71.52%

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
1.	MST	Rental charged by MSS to the Related Party for the use of the factory belonging to MSS. (Lot 16)  (Please refer to Note 2(b) of Page 38 of this Circular)	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSS is a wholly owned subsidiary of MIG.	( <sup>(1)</sup> )Estimated aggregate value from 9 December 2014 to the next AGM to be held in 2015  600,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
2.	MST	Rental charged by MIG to the Related Party for the use of the factory belonging to MIG. (Lot 53, Lot 49 and Lot 10) (Please refer to Note 2(c) of Page 38 of this Circular)	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> Major MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	Major Shareholder	<sup>(1)</sup> Estimated aggregate value from 9 December 2014 to the next AGM to be held in 2015  5,000,000
3.	MST	Management fees for the provision of technical advice charged by MIE to the Related Party.	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> Major MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MIE is a 70% owned subsidiary of MIG.	150,000
4.	MST	Sale of scrap by the Related Party to MSM	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> Major MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSM is a wholly owned subsidiary of MIG.	3,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
5.	MST	Service fees for the provision of accountancy support charged by the Related Party to M-Power	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	M-Power is a wholly owned subsidiary of MSE who in turn is a wholly subsidiary of MIG	<sup>(1)</sup> Estimated aggregate value from 9 December 2014 to the next AGM to be held in 2015  50,000
6.	MST	Management fees for the provision of management services/advice charged by MIG to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.		1,000,000
7.	MST	Sales of pipes by the Related Party to AQAS	<b>Interested Directors</b> TY, TYY and Datin Ezurin <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	AQAS is a wholly owned subsidiary of MITL who in turn is a wholly subsidiary of MIG.	2,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
8.	MSCRC	Management fees for the provision of management services/advice charged by MIG to the Related Party	<b>Interested Directors</b> TY, TYY and Datin Ezurin  <b>Interested Shareholders</b> MEBVI, MKSB, MESB, IMSB, MGB and KLB	TY is deemed interested in MIG and MSB by virtue of his indirect substantial interests in MEBVI and MKSB who collectively are the Substantial Shareholders of MIG.  TYY and Datin Ezurin are therefore deemed interested by virtue of their family relationship with TY based on Section 122A(1)(a) of the Act.	MSCRC is a wholly owned subsidiary of MSB.	(1) Estimated aggregate value from 9 December 2014 to the next AGM to be held in 2015  2,000,000

**Note :**

(1) The New Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed New Shareholders' Mandate.

(2) The particulars of rental charged are as follows:-

	Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
(a)	MIG	11 <sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur	1,058	2	3 Auto Renewal	Office Rental
(b)	MST	Lot 16, Jalan Pengapit 15/19, 40000 Shah Alam, Selangor	94,000 (2.16 acres)	0.39	1 Perpetual Auto 3 years Renewal	Factory Rental
(c)	MST	Lot 53, Persiaran Selangor, 40200 Shah Alam, Selangor	196,144 (4.50 acres)	0.56	1 Perpetual Auto 3 years Renewal	Factory Rental
		Lot 49, Jalan Utas, 40200 Shah Alam, Selangor	316,300 (7.26 acres)	0.52	1 Perpetual Auto 3 years Renewal	Factory Rental
		Lot 10, Persiaran Selangor, 40200 Shah Alam, Selangor	220,437 (5.06 acres)	0.38	1 Perpetual Auto 3 years Renewal	Factory Rental

#### **4.0 BASIS OF ESTIMATES**

The pricing method for the estimated value was based on:

- (i) arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company. Due consideration based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms was given to price, payment, quality, delivery and service in order to maximise benefits for any purchase under the transactions.
- (ii) competitive commercial terms based on quotations from other sources of supply of the products/services required by the Group. Reference shall also be made to published market reports, if available, pertaining to transactions of similar products concluded in other markets.

The estimated value in respect of each transaction referred to above are based on prevailing prices obtained from the related parties which are reasonably market-competitive prices and based on the expected level of transactions to be entered into by the Group. The estimated amounts are further based on the assumptions that current level of operations will continue and dependent on the demand and supply of the products/services if the market remains constant.

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 transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPT(s) are not detrimental to MIG or MIG Group.

#### **5.0 REVIEW PROCEDURES FOR THE RECURRENT TRANSACTIONS**

MIG has internal control systems to ensure that the RRPT(s) are undertaken on an arm's length basis and on normal commercial terms consistent with MIG's usual business practices and policies, which are not more favourable to the related parties than those extended to third parties/public and are not to the detriment of the minority shareholders. These include transacting at the prevailing market rates/prices for the service or product, on the service or product provider's usual commercial terms, and otherwise in accordance with applicable industry norm.

The Audit Committee shall review all aspects of the recurrent related party transactions where the consideration, value of the assets, capital outlay or costs thereof, equal or exceed RM1,000,000 and ensure that they are conducted at arm's length basis.

In order that recurrent related party transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and not be prejudicial to shareholders, the management will ensure that the recurrent related party transactions with interested parties will only be entered into after taking into account the pricing, level of service, quality of products and other related factors. In meeting the above policy, the following guidelines will be applied to the review and approval of Recurrent Related Party Transactions:

- (i) A list of Related Party(ies) will be circulated to the Group to notify that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders;
- (ii) All RRPT(s) will be reviewed by the Managing Director/Group Chief Executive Officer and senior management together with the Internal Auditors. Senior management consists of vice presidents, chief financial officer and senior managers;
- (iii) A register will be maintained by the Company to record all RRPT(s) which are entered into pursuant to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate;
- (iv) The annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (v) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT(s) have been complied with and the review shall be done at every quarter together with the review of quarterly results;
- (vi) The Board and the Audit Committee have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee as the case may be, he will abstain from any decision making by the Board or the Audit Committee in respect of that transaction; and
- (vii) The cost plus method will be used to determine the transaction price. This method determines the arm's length price by adding an appropriate mark-up to the cost of production. The appropriate mark-up is the percentage earned by the Company on the related party transactions/sales.

The following are commercial considerations which MIG Group takes into account before entering into transactions for the sale/supply of goods and provision of services to a purchaser, in the ordinary course of business:

- The ability and track record of the purchaser to pay for the goods supplied or services provided; and
- Whether past experience and working relationship with the purchaser has been satisfactory.

The following are commercial considerations which MIG Group takes into account before entering into transactions for the receipt of goods or services from a vendor/service provider, in the ordinary course of business:

- The MIG Group's pricing for the goods to be provided or supplied and/or received or purchased is negotiated between the MIG Group and Related Party based on the prevailing market prices as agreed with unrelated third parties;
- The terms are no more favourable to the Related Party than those extended to unrelated third parties and available to the public and the Recurrent Related Party Transactions are not detrimental to minority shareholders;

- The transactions are provided after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discount accorded for bulk purchases, the terms offered are fair and reasonable and in the MIG Group's commercial interests;
- The competitiveness in pricing;
- The standard and quality of the goods/services and whether it meets the requirements of the MIG Group;
- The responsiveness and level of service provided by the goods or service providers and whether past experience and working relationship has been satisfactory; and
- The track record and competence of the goods or service provider and whether the goods or service provider has sufficient resources to perform its obligations.

The MIG Group would only enter into transactions with the relevant parties based on the above criteria, regardless of whether or not the party is related.

Where any Director has an interest (direct or indirect) in any RRPT(s), such Director (or his alternate, where applicable) shall abstain from voting at the AGM on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decision to be taken by the Audit Committee with respect to such transactions.

Pursuant to Paragraph 10.09(2)(d) of the Listing Requirements, in a meeting to obtain the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate, the interested Director, interested Major Shareholder or interested persons connected with the interested Director or interested Major Shareholder; and where it involves the interest of an interested person connected a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the RRPT(s). An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s).

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until the conclusion of the next AGM of the Company. Thereafter, shareholders' approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee of its continued application to the recurrent related party transactions.

## **6.0 THRESHOLD OF AUTHORITY**

There are no specific threshold for approval of RRPT(s) within MIG Group. However, all RRPT(s) are subject to the approval of the Board. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stated in Section 5.0 of Part B of this Circular, are inadequate and to ensure that :

- RRPT(s) will be conducted at arms' length and on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public; and
- Such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.



## **7.0 STATEMENT BY THE AUDIT COMMITTEE**

The Audit Committee has seen and reviewed the procedures. The Audit Committee is of the view that the procedures in Section 5.0 are sufficient to ensure that RRPT(s) of a revenue or trading nature as set out in Section 3.3(A), (B) and (C) above are not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders.

MIG Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. These procedures and processes are reviewed on quarterly basis.

## **8.0 RATIONALE FOR AND BENEFITS TO THE GROUP**

The rationale for and benefits of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate to the MIG Group are as follows:

- (a) the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate will empower the Group to enter into transactions with related parties which are necessary in day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, on terms not more favourable to the related party than those generally made available to the public and are not detrimental to the minority shareholders;
- (b) the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis and hence will reduce the expenses associated therewith;
- (c) the RRPT(s) entered into by the Group are intended to meet business needs at the best possible terms and it also enhances ability to explore beneficial business opportunities and to promote cross-selling within the MIG Group which will be of benefit to all the companies within the MIG Group;
- (d) In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the MIG Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and is able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen;
- (e) The procurement of a proposed general mandate for the provision of financial assistance would facilitate the pooling of funds within MIG Group via a centralized treasury management function or such similar arrangements in a short or medium term basis. The "short or medium term basis" shall mean for duration not exceeding three (3) years;
- (f) It is anticipated that the Company would, in the ordinary course of business, provide financial assistance as set out in Section 3.3(B) above. It is also likely that the transactions will occur at any time and with some degree of frequency at any time be it necessary;
- (g) In addition, the Proposed Renewal of Shareholders' Mandate for the provision of financial assistance to MIE would also allow the MIG Group to bridge, on a temporary basis, as and when is required, the working capital requirement which is necessary for the continuing operations of the business. The repayment of financial assistance will be met by the cashflow arising from the business; and

The Board of Directors will also be seeking a proposed renewal of general mandate for the provision of financial assistance that will allow the Group to provide financial assistance to the Related Party described in Section 3.3(B) above provided it is fair and reasonable and are not to the detriment of the Company and its shareholders.

## **9.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE**

### **9.1 Share Capital**

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate will not have any effect on the Issued and Paid-Up Share Capital and shareholding structure of MIG Group.

### **9.2 NA and Working Capital**

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate will not have any effect on the NA and working capital of MIG Group.

### **9.3 Earnings**

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate will not have any effect on the earnings of MIG Group for the financial year ending 30 June 2015.

## **10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors or Major Shareholders or persons connected to them as defined in the Listing Requirements has any interest either directly or indirectly in the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate save and except for the following:

- (a) TY is a Director and is the beneficial owner of MEBVI, MKSB, MESB, IMSB, MGB and KLB who collectively are the Major Shareholders of MIG.
- (b) MEBVI, MKSB, MESB, IMSB, MGB and KLB who collectively are the Major Shareholders of MIG.
- (c) TYY is a Director and is the brother of TY who is the beneficial owner of MEBVI, MKSB, MESB, IMSB, MGB and KLB who collectively are the Major Shareholders of MIG.
- (d) Datin Ezurin is a Director and the wife of TY who is the beneficial owner of MEBVI, MKSB, MESB, IMSB, MGB and KLB who collectively are the Major Shareholders of MIG.

Accordingly, TY, TYY and Datin Ezurin are deemed interested in the RRPT(s) to be entered into between MIG Group with the Related Parties by virtue of their interest in these companies as disclosed in Section 3.3(A), (B) and (C) of Part B of this Circular.

TY, TYY and Datin Ezurin have abstained and will continue to abstain from deliberation and voting at Board meetings of MIG on the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate.

TY, TYY, Datin Ezurin, MEBVI, MKSB, MESB, IMSB, MGB and KLB are Related Parties and will abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings on the Resolution 7 in relation to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate under Special Business as given in the Notice of AGM enclosed in the Annual Report for the financial year ended 30 June 2014.

Further, TY, TYY, Datin Ezurin, MEBVI, MKSB, MESB, IMSB, MGB and KLB have undertaken that they will ensure that the persons connected to them, will abstain from voting on the resolution deliberating or approving the proposal at the general meeting.

Save as disclosed herein, none of the other Directors or Major Shareholders or persons connected to them as defined in the Listing Requirements has any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate.

**PART C**

**PROPOSED ADOPTION OF A NEW SET OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

### **1.0 DETAILS AND RATIONALE OF THE PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

The new Memorandum and Articles of Association set out in Appendix 1 of this Circular is subject to and conditional upon the approval of our shareholders.

The purpose of the Proposed Adoption is to ensure that our Memorandum and Articles of Association is in line with the recent amendments to the Listing Requirements, any prevailing laws, rules, regulations, orders, guidelines or requirements of the relevant authorities and to incorporate all the separate past approved amendments to the Memorandum and Articles of Association into the new Memorandum and Articles of Association.

### **2.0 FINANCIAL EFFECTS OF THE PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

The Proposed Adoption will not have any effect on the issued and paid-up share capital, net assets, earnings, gearing and substantial shareholders' shareholdings in our Company.

### **3.0 DIRECTORS' AND MAJOR SHAREHOLDERS INTEREST**

None of the other directors and/or major shareholders of MIG and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Adoption.

## **II. DIRECTORS' RECOMMENDATION**

### **(a) On Proposed Renewal of Share Buy-Back Authority**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and its shareholders and accordingly, they recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority contained herein to be tabled at the forthcoming AGM.

### **(b) On Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate**

Similarly, the Board (save and except for TY, TYY and Datin Ezurin who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate) having considered all aspects of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate are in the best interest of the Company and its shareholders. Accordingly, the Board (save and except for TY, TYY and Datin Ezurin who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate) recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate contained herein to be tabled at the forthcoming AGM.

### **(c) On Proposed Adoption**

The Board, having considered all aspects of the Proposed Adoption, are of the opinion that the Proposed Adoption is in the best interest of our Company and recommend that you vote in favour of the resolution pertaining to the Proposed Adoption at the forthcoming 45<sup>th</sup> AGM.

## **III. APPROVAL REQUIRED**

The said Proposals are subject to the approval of the shareholders at the forthcoming AGM to be convened on 9 December 2014.

## **IV. ANNUAL GENERAL MEETING**

An AGM, the notice of which is enclosed with the Annual Report for the financial year ended 30 June 2014, will be held at Crystal Function Room, 4<sup>th</sup> Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Tuesday, 9th December 2014 at 1.30 p.m. for the purpose of considering and, if thought fit, passing the Ordinary and Special Resolutions as set out in the notice.

If you are unable to attend and vote in person at the 45<sup>th</sup> AGM, you are requested to complete and return the Form of Proxy enclosed together with the said Annual Report in accordance with the instructions therein as soon as possible so as to arrive not less than forty-eight (48) hours before the time set for the 45<sup>th</sup> AGM or any adjournment thereof. The completion and the return of the Form of Proxy does not preclude you from attending and voting in person at the 45<sup>th</sup> AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the 45<sup>th</sup> AGM.

Please be informed that where all the shares have been sold or transferred by the addressee, the Circular and any other relevant document should be passed to the person through whom the sale or transfer was affected, for transmission to the purchaser or transferee.

Should there be any doubt as to what action to take, kindly consult appropriate independent advisers.

**V. FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix 2 attached for further information.

Yours faithfully,  
For and on behalf of the Board of  
**MELEWAR INDUSTRIAL GROUP BERHAD**

**Major General Datuk Lai Chung Wah (Rtd)**  
Senior Independent Non-Executive Director

Full text of the Proposed New Memorandum and Articles of Association of Melewar Industrial Group Berhad is as stated below:

**THE COMPANIES ACT, 1965**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**

**OF**

**MELEWAR INDUSTRIAL GROUP BERHAD (8444-W)**

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1. The name of the Company is **MELEWAR INDUSTRIAL GROUP BERHAD**
2. The Registered Office of the Company will be situated in Malaysia.
3. The objects for which the Company is established are :-
  - (1) To carry on business of an investment holding company and for that purpose to acquire and hold either in the name of the company or in that of any nominee shares, stocks, debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
  - (2) To carry on in Malaysia or elsewhere in any part of the world the business of manufacturers, producers, storers, suppliers, distributors and exporters of steel pipes, tubes and hollow sections of all types whether lined or unlined internally and with or without wrappings or coatings externally and to import all or any materials and things for the purpose of or in connection with the manufacture or production of such steel pipes, tubes and hollow sections.
  - (3) To purchase or otherwise acquire real or personal property of all kinds in Malaysia and elsewhere and in particular land, factories for the manufacture of steel pipes, tubes, hollow sections or cement products, buildings, machinery, plant, stores, patents, licences, concessions, rights of way, light and water, and any rights or privileges which it may seem convenient to obtain for the purpose of or in connection with the business of the Company, and whether for the purposes of resale or realization or otherwise, and to manage, develop, sell, exchange, lease, mortgage or otherwise deal with the whole or any part of such property or rights.
  - (4) To develop, maintain and carry on all or any lands, factories, works or others properties from time to time in the possession of the Company, in any manner deemed desirable; to erect all necessary or convenient factories, mills, machinery, laboratories, workshops, dwelling houses for workmen and others, and other buildings, works and appliances, and to aid in or subscribe towards or subsidise any such objects.
  - (5) To carry on any trade or business whatsoever which can, in the opinion of the directors, be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.



4. The powers of the Company are :

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| (1) | To carry on business as financiers and advancers, and in particular to lend money to such person, firm or company on the security of stock or shares of every description, or on such security and on such terms and conditions as may seem expedient, and in particular to customers and others having dealings with the Company.  | <b>To lend money.</b>   |
| (2) | <p>(a) To receive money on deposit at interest or otherwise, and to make, draw, accept, endorse, issue, discount and otherwise, and to make, draw, accept, endorse, issue, discount and otherwise deal with promissory notes, bills of exchange, letters of credit, circular notes, and other negotiable, transferable or mercantile instruments.</p> <p>(b) To undertake and transact any of the business of merchants, capitalists, financiers, brokers, underwriters and commission agents which may seem conducive to any of the objects of the Company.</p> <p>(c) To undertake the office of trustee, receiver and liquidator whether official or otherwise, executor, administrator, committee, manager, attorney, delegate, substitute, treasurer and any other offices or situations of trust or confidence and to perform and discharge the duties and functions incidental thereto and generally to transact all kinds of trust business either gratuitously or otherwise.</p> | <p><b>To advance, pay or deposit money etc.</b></p> <p><b>To transact business of financiers.</b></p> <p><b>To act as trustee/receiver.</b></p> |
| (3) | To apply for, purchase or otherwise acquire, sell, let or grant letters, patent, brevets d'invention, concessions, licences, inventions, rights and privileges subject to royalty or otherwise and whether exclusive or non-exclusive or limited or any part or interest in such letters and privileges, whether in Malaysia or elsewhere in any part of the world.   | <b>To apply for purchase of letters, patent.</b>  |
| (4) | To borrow or raise money or secure the payment of money in such manner as the Company shall think fit, and in particular by the mortgage or charge of all or any part of the property of the Company or by the issue of debentures or debenture stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital, and to pay off, purchase or redeem any such mortgage, charge or securities.   | <b>To borrow or raise money.</b>  |
| (5) | To issue debentures, debenture stock, bonds, obligations and securities of all kinds and to frame, constitute and secure the same as may seem expedient with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the Company or upon any specified property and rights, present and future of the Company or otherwise howsoever.  | <b>To issue debentures etc.</b>   |
| (6) | To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.  | <b>To give discharges for money payable to Company.</b>   |
| (7) | To guarantee or become liable for the payment of money or for the performance of any obligation and generally to transact all kinds of guarantee business.  | <b>To guarantee.</b>  |

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| (8)  | To purchase the property and goodwill of or any interest in any business, and to make and carry into effect all arrangements with respect to the union of interest or amalgamation either in whole or in part with any other company, firm or person having objects in some respects similar to or included in the objects of the Company, and to carry on business which the Company may think directly or indirectly conducive to the development of any property or any business in which it is interested.   | <b>To purchase property and goodwill.</b>           |
| (9)  | To purchase its own shares subject to, and in accordance with the Companies Act, 1965, the rules, regulations and orders made pursuant thereto and the requirements of the Bursa Malaysia Securities Berhad and any other relevant authority.  | <b>To purchase its own shares.</b>                  |
| (10) | To enter into partnership or joint-purse arrangement for sharing profits, Union of interest, joint venture or cooperation with or agency for any company, firm or person carrying on or engaged in or proposing to carry on or engage in any business or transaction within the objects of the Company or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.  | <b>To enter into partnership.</b>                   |
| (11) | To enter into any agreement with any government or authority, supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such government or authority any rights, privileges, licences and concessions which the Company may think fit, desirable to obtain and to carry out exercise and comply with any such arrangements, rights, privileges, licences and concessions.  | <b>To enter into agreement.</b>                     |
| (12) | To acquire by purchase or otherwise, and to obtain protection for or to patent in any part of the world any invention or discovery made by any official or servant of the Company or others and any improvement in machinery or apparatus; to exercise and use such protection or patent and to disclaim, alter or modify the same.  | <b>To acquire patent.</b>                           |
| (13) | To grant licences to exercise and use any patent or trade mark belonging to the Company and that for such royalty or consideration as may be agreed on with the licencees.   | <b>To grant licence for patent and trademarks.</b>  |
| (14) | To establish and support or aid in the establishment and support of associations, institutions, funds, trust and conveniences calculated to benefit the officers, servants, employees or ex-employees of the Company or the dependants of such persons, to provide for the welfare of such persons and their dependants or of any person connected with the Company by granting pensions, allowances or other assistance and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public general or useful object. | <b>To establish and support associations.</b>       |
| (15) | To sell, convey, assign, exchange or dispose of the undertaking of the Company or any part thereof upon such terms and for such consideration as the Company may think fit and in particular for shares, bonds, debentures or securities of any other company having objects altogether or in part similar to those of this Company and to surrender or renounce all or any of the Company's property as may seem expedient.   | <b>To sell, convey undertakings of the Company.</b> |
| (16) | To transfer to or otherwise cause to be vested in any company or person all or any of the lands and properties of the Company, to be held in trust for the Company, or on such trust for working, developing or disposing of the same as may be considered expedient.  | <b>To transfer properties.</b>                      |

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| (17) | To make donations for patriotic or for charitable purposes.  | <b>To make donations.</b>   |
| (18) | To transact any lawful business in aid of Malaysia in the prosecution of any war or hostilities in which Malaysia is engaged.  | <b>To transact any lawful business.</b>                             |
| (19) | To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company and for such purpose to distinguish and separate capital from profits but so that no distribution amounting to a reduction of capital be made except in compliance with the requirements of the Companies Act, 1965.  | <b>To distribute in specie.</b>                                     |
| (20) | To procure the Company to be registered, incorporated or otherwise duly constituted in Malaysia and elsewhere and to obtain any provisional order or ordinance for enabling the Company to carry any of its objects into effect or for affecting any modifications or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.   | <b>To procure the Company to be registered.</b>                     |
| (21) | To pay the costs, charges and expenses, preliminary and incidental to the formation, establishment and registration of the Company and to remunerate or pay a commission to any person for services rendered or to be rendered in placing or assisting to place any shares, debentures or debenture stock or other securities of the Company or in or about the formation of the Company or the conduct of its business.   | <b>To pay formation expenses.</b>                                   |
| (22) | To undertake and execute any trusts and to establish branches in any part of Malaysia or Singapore or elsewhere to carry on all or any business the Company is authorized to carry on and to manage such branches through trustees, agents or managers authorized by the Company.  | <b>To establish branches</b>  |
| (23) | To invest and deal with the money of the Company not immediately required in such manner as may from time to time be determined, and in particular to invest on the security of land, buildings, estates, plantations, mines, securities and other property, real and personal, movable and immovable, and generally to subscribe for lend money on, or otherwise acquire mortgages, charges, bonds, obligations, loans securities and all other instruments upon such terms and conditions as may seem expedient. | <b>To invest and deal with the money not immediately required</b>   |
| (24) | To promote any company or companies for the purpose of acquiring all or any property, rights and liabilities, of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.   | <b>To promote companies</b>   |
| (25) | To amalgamate with any other company whose objects are or include objects similar to those of the Company whether by sale or purchase (for shares or otherwise) of the undertaking subject to the liabilities of this or any other company aforesaid with or without winding up or by sale or purchase (for shares or otherwise) of all the shares of this or any such other company as aforesaid or by partnership or any arrangement of the nature of partnership or in any other manner.                        | <b>To amalgamate with other companies</b>                           |
| (26) | Subject to the provision of any law in force, to buy and sell foreign currency and exchange to and to accept money for remittance to all countries and accept deposit on loan at interest or without interest.   | <b>To buy and sell foreign currency</b>                             |
| (27) | To do anything for the purpose of advancing the skill of persons employed by it or that of persons who, though not so employed, are engaging themselves, or have it in contemplation to engage themselves, in work of a kind in the case of which it has or may have a direct or indirect concern in the products hereof.  | <b>To do anything for the purpose of advancing skill of persons</b> |

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| (28) | To promote (either by itself or by others) research into matter which affect, or arise out of, the carrying out of its business.   | <b>To promote research</b>   |
| (29) | To promote the doing of such work as is requisite to enable the results of research (whether promoted by it or not) into matters affecting, or arising out of, the carrying out of its business and the results of research promoted by it into other matters. | <b>To promote research work</b>  |
| (30) | To furnish any authority or person outside Malaysia with assistance (whether financial, technical or of any other nature) if, in its opinion, the consequences of doing so will ensure for its benefit.  | <b>To furnish any authority or person outside Malaysia with assistance</b> |
| (31) | To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.  | <b>To do all or any of the above things.</b>                               |
| (32) | To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.  | <b>General powers.</b>   |

PROVIDED ALWAYS, that nothing in this Memorandum contained shall empower the Company to carry on the business of Banking or of Life Assurance or to reinsure any risks under any class of assurance business to which any Ordinance relating thereto applies.

And it is hereby declared that the word 'company' in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in Malaysia or elsewhere and the intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be independent main objects, and shall be in no way limited or restricted by reference to, or inference to or inference from the terms of any other paragraph, or the name of the Company.

- |    |   |   |
|----|---|---|
| 5. | The liability of the members is limited.  | <b>Liability</b>  |
| 6. | The capital of the Company is <b>RM500,000,000.00</b> divided into <b>500,000,000</b> Ordinary Shares of <b>RM1.00 each</b> . The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.  | <b>Capital</b>  |
| 7. | The Company shall have power from time to time to increase or reduce its capital and to issue shares in the original or increased capital as ordinary, preferred or deferred shares and to attach to any class or classes of such shares any preferences, rights, privileges, or conditions or to subject the same to any restrictions or limitations. Provided always that if and whenever the capital of the Company is divided into shares of various classes, the right or privileges of any such class shall not be modified or varied in any way except in the following manner namely any such modification or variation may be affected when sanctioned by a special resolution of the holders of the shares of such class, passed at a separate meeting of such holders at which there shall be present in person or represented by proxy the holders of not less than three-fourths (3/4) of the nominal amount of the issued shares of such class. | <b>Company to have power to increase or reduce capital.</b> |

We, the several persons whose names and addresses are subscribed hereto, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each subscriber
PHAN TJUK FA, 82-A, Jalan Larkin, Johore Bahru. <div>Merchant</div>	One
YANG YEN FANG (f), 51A, Medan Imbi, Kuala Lumpur <div>Merchant</div>	One
PHAN SIOE LAN (f), 82-A, Jalan Larkin, Johore Bahru. <div>Accountant</div>	One

Dated this 10<sup>th</sup> day of February, 1969

Witness to the above signatures:-

HEW KIANG MAIN,  
*Certified Public Accountant (Malaysia)*,  
 Bangkok Bank Building (6<sup>th</sup> Floor),  
 105, Jalan Bandar,  
 Kuala Lumpur.

**THE COMPANIES ACT, 1965**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**MELEWAR INDUSTRIAL GROUP BERHAD (8444-W)**

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**EXCLUSION OF TABLE "A"**

1. Table "A" excluded

The Regulations contained in Table "A" in the Fourth Schedule to the Companies Act, 1965 shall not apply to the Company except in so far as the same are repeated or contained in these Articles.

**INTERPRETATION**

2. Interpretation clause

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

"Act" means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

"Authorised Nominee" shall have the meaning ascribed thereto in the Central Depositories Act.

"beneficial owner" shall have the meaning ascribed thereto in the Central Depositories Act.

"Board" means the Board of Directors for the time being of the Company.

"Depository" means the Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) and its successors-in-title.

"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

"Chief Executive" means the chief executive of the Company (as defined in accordance with the Listing Requirements).

"Company" means Melewar Industrial Group Berhad.

"Deposited Security" means a security, as defined in Section 2 of the Central Depositories Act, in the Company standing to the credit of a Securities Account and includes security in a Securities Account that is in suspense.

"Depositor" means a holder of a Securities Account established by the Depository (as defined in Section 2 of the Central Depositories Act).

"Directors" mean the Directors for the time being of the Company.

"Exchange" means Bursa Malaysia Securities Berhad (Company No. 635998-W)

"Exempt Authorised Nominee" means an authorised nominee defined under the Securities Industries Central Depositories Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

"Listing Requirements" means the Main Market Listing Requirements of the Exchange, including any modifications or amendments to the Listing Requirements that may be made from time to time.

"Malaysian Register" means the register of securities holders maintained by the registrar of the Company in Malaysia.

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

"member" or "holder of shares" or any like expression means any person for the time being holding shares in the Company and whose name appears in the Register including Depositors, who may be authorised nominees, whose names appear on the Record of Depositors except Depository or their nominees in their capacity as bare trustees.

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

"Omnibus Account" means the Securities Account in which ordinary shares of the Company are held for multiple beneficial owners and includes a Securities Account maintained by an Exempt Authorised Nominee.

"Record of Depositors" means the record provided by the Depository to the Company or its Principal Registrar or its issuing house under Chapter 24.0 of the Rules.

"Register" means the Register of Members to be kept pursuant to the Act.

"Relevant Regulations" means all relevant rules, regulations, guidelines, directives, practice notes, guidance notes passed or issued by any relevant authority for the time being in force applying to or affecting the Company and/or these Articles which shall include where applicable, the Act, the Central Depositories Act, the Listing Requirements, the Rules and the legislation, rules, regulations, guidelines, directives, practice notes, guidance notes and other requirements of such Exchange in respect of which the securities of the Company are listed or traded, as the case may be.

"Rules" means the Rules of the Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force.

"Seal" means the Common Seal of the Company.

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

"Securities Account" means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

"securities" means securities as defined in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.

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



"shares" means shares in the Company.

"Principal Registrar" means such person, firm or company which for the time being maintains in Malaysia the Malaysian Register.

"Year" means Calendar Year

Reference to "writing" shall, unless the contrary intention appears, be construed as including references to printing, typewriting, lithography, photography electronic storage or transmission and other modes of reading information or representing or reproducing words in a visible form;

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

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

The headings are inserted for convenience only and shall not affect the construction of these Articles.

Reference to "these Articles" means these Articles of Association as originally framed or as from time to time altered by special resolution.

Reference to "transfer" in relation to shares shall include a transfer of shares pursuant to the Rules.

## **BUSINESS**

### **3. Board may carry on business**

Any branch or kind of business by which the Memorandum of Association of the Company, or these Articles of Association, is either expressly or by implication authorised to undertake may be undertaken by the Board at such times or times as they think fit, and further, may be held in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **4. Location of Office**

The Office shall be at such place in Malaysia, as the Board shall from time to time determine.

## **SHARES**

### **5. Issue of Shares**

(1) Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and the conditions, restrictions and limitations expressed in these Articles, the Directors may issue, allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT –

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;

- (c) no special rights shall be attached to shares of a class other than ordinary shares, except those that have been expressed in these Articles;
  - (d) no issue of shares shall be made without the prior approval of the members of the Company in general meeting;
  - (e) subject to Article 5(2) and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue;
  - (f) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such Director.
- (2) Except in the case of an issue of securities on a pro rata basis to members, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as "the interested Director", "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless members in general meeting have approved of the specific allotment to be made to such aforesaid persons.
- (3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 5(2) above:-
- (a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and
  - (b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive,
- must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.
- (4) The notice of the meeting referred to in Article 5(2) shall state:-
- (a) the number of securities to be allotted;
  - (b) the purpose of allotment;
  - (c) the precise terms and conditions of the allotment; and
  - (d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.
- (5) In this Article, "major shareholder", "Chief Executive" and "person connected with any Director, major shareholder or Chief Executive" shall have the meaning ascribed thereto in the Listing Requirements.

6. Crediting of Securities Account

The Company must ensure that all new issues of securities for which listing is sought on the Exchange are made by way of crediting the Securities Accounts of the allottees with such securities unless otherwise required by the Relevant Regulations or unless the Exchange permits the holding of physical scrips or 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 Article. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees. The Company shall obtain an auditors' certificate that the issue of new securities is in accordance with this Article.

7. Allotment and Despatch of Notices of Allotment

- (1) Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and Article 8, the Company shall issue, allot securities and despatch notices of allotment to the allottees, and make an application for quotation of such securities on the relevant Exchange:-
- (a) within eight (8) Market Days of the final application date for a public issue; or
  - (b) within eight (8) Market Days after the final application closing date for a rights issue; or
  - (c) within eight (8) Market Days of the book closing date for a bonus issue; or
  - (d) within eight (8) Market Days after the receipt of a notice of the exercise of an option pursuant to a share scheme for employees together with the requisite payment for the subscription of shares under the option; or
  - (e) within eight (8) Market Days after the date of receipt of a subscription form together with the requisite payment for conversion or exercise in respect of convertible securities; or
  - (f) such other period as may be prescribed under the Listing Requirements or by the relevant Exchange from time to time.

8. Allotment or Issue of Securities

The Company must not allot or issue securities or cause or authorise its registrars to cause the Securities Accounts of the allottees to be credited with the additional securities until after it has filed with the relevant Exchange an application for listing of such additional securities and been notified by the relevant Exchange that such new issue of securities has been approved in principle for listing.

9. Preference Shares

- (1) Subject to the Act and the Relevant Regulations, and without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-
- (a) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company but shall only have the right to vote in each of the following circumstances:-

- (i) where the dividend or part of the dividend on such shares is in arrears for more than six (6) months;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects rights attached to the preference shares;
  - (v) on a proposal to wind up the Company; and
  - (vi) during the winding up of the Company.
- (b) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 21 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith; and
- (c) subject to 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.

#### 10. Restriction on Use of Company Funds

The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Article shall prohibit transactions mentioned in the proviso to Section 67(1) of the Act or the purchase by the Company of its own shares pursuant to Article 11 and Section 67A of the Act. The Directors may however in their discretion accept a surrender of shares by way of compromise of any question as to whether or not the same have been validly issued or in any other case where the surrender is within the powers of the Company. Any shares so surrendered may be sold or re-issued in the same manner as forfeited shares.

#### 11. Purchase of Own Shares

- (1) Subject and in accordance with the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the relevant Exchange in respect of securities admitted to listing, and any rules or guidelines of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the rules and guidelines compliance with which by the Company is waived by the relevant authority), the Company may purchase or may enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.
- (2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

#### 12. Commission and brokerage

In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 58 of the Act of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to

be paid shall be disclosed in the manner required by the Act and shall not exceed 10% of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of the shares pay such brokerage as may be lawful.

13. Interest on Capital

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 69 of the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or plant.

14. Allotment of Shares

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

15. Trusts not to be recognised

Except only as otherwise expressly provided by these Articles or as required by law or as provided under the Central Depositories Act, the Rules and the Relevant Regulations, or pursuant to any order by court, no person (other than Bursa Malaysia Depository Nominees Sdn. Bhd) shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share except an absolute right to the entirety thereof in the person registered as the holder of the share.

16. Shares to be offered to members before issue

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

17. Rights of members

No person shall exercise any rights of a member until his name shall have been entered in the Register or his name appears in the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him whether alone or jointly with any other person PROVIDED THAT the Depository or its nominee company in whose name the Deposited Security is registered shall not be entitled to any such rights unless required by virtue of the Central Depositories Act, the Rules, the Relevant Regulations or the context of these Articles.

18. Payment of allotment

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

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

19. Disposal of shares of members whose whereabouts are unknown

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

**CERTIFICATES**

20. Share Certificates

The certificate of title to shares shall be issued under the Seal of the Company and signed by two Directors or by one Director and countersigned by the Secretary or such other person as maybe authorised by the Directors. The Signatures maybe affixed by some mechanical means approved by the relevant authorities.

**ALTERATION ON RIGHTS**

21. Modification of Rights

Notwithstanding Article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

22. Class rights may be modified

Subject to the provisions of Section 65 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of 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 not less than 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 the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and shall be

entitled on a poll to one vote for every such share held by him. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

23. Rights on creation or issue of further shares

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

**CALLS ON SHARES**

24. Directors may make calls

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least fourteen (14) days' notice specifying the time or times and place of payment.

25. How calls may be made

Any call may be made payable either in one sum or by installments, and each member upon whom a call is made is liable to pay the amount of the call to the Company and at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors.

26. When a call is deemed made

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

27. Calls in respect of joint-holders

Joint-holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof and any interest accrued thereon.

28. Directors may differentiate between holders

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

29. Payment on allotment treated as call

Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date, whether on account of the nominal amount of share or by way of premium, shall, for all purposes of these Articles, be deemed to be a call duly made and payable on such fixed date, and in case of non-payment all the provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.

30. Interest on calls in arrears

If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate, not exceeding eight percent (8%) per annum, as the Directors may determine (or failing such determination, then at the rate of eight percent (8%) per annum) provided however the Directors may waive payment of such interest in whole or in part.



31. Payment on calls in advance

The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys payable in respect of any share held by him beyond the amount of the calls actually made thereon and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding eight percent (8%) per annum, as may be agreed between the member paying the sum in advance and the Directors. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up in the shares in respect of which they have been paid.

**FORFEITURE AND SURRENDER OF SHARES**

32. Notice to pay calls

If any member fails to pay the whole or any part of any call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him by transmission requiring him to pay such call or such part thereof as remains unpaid, together with any interest at such rate not exceeding 10% per annum or at such rate as the Directors shall determine, any expenses which may have accrued by reason of such non-payment.

33. Form of notice

The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state, that, in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made will be liable to be forfeited.

34. Failure to comply with notice

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before 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.

35. Redemption of forfeited share

Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of, permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon any further or other terms they may think fit.

36. Forfeited share becomes property of Company

A share so forfeited or surrendered shall become the property of the Company and may be re-sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit and whether with or without all or any part of the amount previously paid on the share being cancelled as paid.



37. Liability on forfeiture

A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the shares (together with interest at the rate of eight percent (8%) per annum from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think it fit to enforce payment of such interest) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares.

38. Result of forfeiture

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

39. Evidence of forfeiture and transfer of forfeited shares

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien on a date in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the (forfeited) share on any sale or disposition thereof and the Directors may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the registered holder of the share, and shall not be bound to see to the application of the purchase monies, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share.

In order to give effect to any such sale or disposal the Directors may authorise any person to transfer the (forfeited) shares sold or disposed of to the purchaser.

40. Application of forfeiture provisions

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

41. Notice of forfeiture

When any share has been forfeited in accordance with these Articles notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Register opposite to the share but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry aforesaid.

42. Proceeds of sale of forfeited share

In the event of any forfeited share on which the Company has a lien being sold or disposed of, the net proceeds of such sale or disposal after providing for the expenses of such sale or disposal and for the payment of any moneys owing to the Company in respect of which the lien exists shall be paid to the person whose share has been forfeited or his executors, administrators or assignees as the case may be or as he or she shall direct.

## LIEN

### 43. Company's lien on shares and dividends

The Company shall have a first and paramount lien on every share (not being fully paid share) for all money called or payable at a fixed time in respect of the particular share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a member (whether solely or jointly with others) for all moneys payable by him or his estate either alone or jointly with any other person, to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on shares and dividends from time to time declared in respect of such shares, if any, shall be restricted to unpaid calls and installments 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.

### 44. Power to enforce lien by sale

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the holder of the share for the time being, or the person entitled thereto by reason of his death or bankruptcy. In order to give effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser.

### 45. Application of proceeds of sale

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

### 46. Power to transfer shares

Upon any such sale as aforesaid, the Directors may enter the purchaser's name in the Register as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in the proceedings or procedure relating to the transfer of the shares or be bound to see to the application of the purchase money, and after his name has been entered in the Register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### 47. Imposition of liability by law

(1) Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in the Register as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:

(a) the death of such member;

(b) the non-payment of any income tax or other tax by such member;

- (c) any other act or thing;

the Company in every such case:

- (i) shall be fully indemnified by such member or his executor or administrator from all liability;
- (ii) shall have a lien upon all dividends, bonuses and other moneys payable in respect of the shares registered in the Register and/or the Record of Depositors as held either jointly or solely by such member for all moneys paid or payable by the Company in respect of the same shares or in respect of any dividend, bonus or other moneys as aforesaid thereon or for or on account or in respect of such member under or in consequence of any such law together with interest at the rate of eight percent (8%) per annum thereon from date of payment to date of repayment and may deduct or set off against any such dividend, bonus or other money payable as aforesaid any moneys paid or payable by the Company as aforesaid together with interest as aforesaid;
- (iii) may recover as a debt due from such member or his executor or administrator wherever constituted any moneys paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividend, bonus or other money as aforesaid then due or payable by the Company to such member.

48. Dividend or vote

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

**TRANSFER OF SHARES, REGISTERS AND RECORD OF DEPOSITORS**

49. Form of transfer

Subject to the provisions of the Act, these Articles, the Central Depositories Act, the Rules and the Relevant Regulations with respect to transfer of Deposited Security, all transfers of shares:-

- (a) to the Depository or their nominee company; or
- (b) prior to the listing and quotation of such shares on the relevant Exchange,

may be effected by an instrument in writing in the form prescribed under the Act and/or approved by the relevant Exchange, or such form as may from time to time, be prescribed under the Act or approved by the relevant Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law.

50. Transfer of Securities

- (1) The transfer of any Deposited Security shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C (2) of the Act and any exemption that may be made from compliance with subsection 107C (1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.
- (2) A depositor shall not withdraw the securities which have been deposited with the Depository except in such manner as maybe specified in Rules and Central Depositories Act.

51. Transmission of Securities

(1) Subject to the Relevant Regulations, where:-

- (a) the securities of the Company are listed on another stock exchange other than Bursa Malaysia Securities Berhad; 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 by a Depositor, permit a transmission of securities held by such Depositor from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the Register 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.

(2) The procedures for the transmission of the securities between Bursa Malaysia for the deposition and withdrawal of any securities held under scripless system shall be determined by the Directors from time to time subject to and in accordance with the Relevant Regulations.

52. Obligation to keep register not affected

Nothing in these Articles shall be construed as affecting the obligation of the Company to keep a Register under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders.

53. Instrument of transfer

Subject to the Central Depositories Act, the Rules, and the Relevant Regulations, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register.

54. Restriction of transfer

- (i) No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- (ii) The Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.

55. Suspension of registration of transfers

The registration of transfers (including transfers of beneficial ownership of any Deposited Security held through an Omnibus Account) may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange.

56. Record of Depositors by Depository considered final

A Record of Depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final Record of Depositors as at the specified date and/or for the specified purpose. If there shall be more than one Record of Depositors made available to the Company as at the specified date and/or for

the specified purpose then the later or last of the Record of Depositors prepared by the Depository shall be the final Record of Depositors as at the specified date and/or for the specified purpose.

57. Recognition of renunciation of allotment

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person or otherwise.

58. Limitation of liability

Neither the Company or 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 inoperative or insufficient to pass the property in the securities 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 or the particulars of the 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**

59. Death of member

In the case of death of a member, the survivor(s) where the deceased was a joint-holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of the deceased member from any liability in respect of any share which had been held by him alone or jointly with some other person.

60. Rights on death or bankruptcy

Any person becoming entitled to shares in consequence of the death or bankruptcy of any member may upon such evidence of title being produced as may from time to time be required by the Directors (but subject to the provisions hereinafter contained) elect either to be registered himself as a member in respect of such shares or to have some person nominated by him registered as transferee thereof but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided always that where the share is a Deposited Security, a transfer of the share may be carried out by the person becoming so entitled, subject to the Central Depositories Act and the Rules and the Relevant Regulations.

61. Election of person entitled to be registered himself

Subject to the Act, the Central Depositories Act, the Rules and the Relevant Regulations, if the person so becoming entitled to shares in consequence of the death or bankruptcy of any member elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects provided always that where the share is a Deposited Security and the person so becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and

the registration of transfers of shares, the Central Depositories Act and the Rules and the Relevant Regulations shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer were a transfer signed by that member.

62. Notice requiring registration of transfer

The Directors may at any time give notice requiring any such person referred to in Article 61 above to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty (60) days, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until compliance has been made with the requirements of such notice.

63. Rights on death or bankruptcy

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

**JOINT HOLDERS OF SHARES**

64. Joint holders of shares

- (1) Subject to the Central Depositories Act and the Rules, where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit or survivorship subject to the following provisions:-
  - (a) The Company shall not be bound to register more than three (3) persons as the holders of any share except in the case of executors, or trustees of a deceased member.
  - (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all calls and other payments which ought to be made in respect of such share.
  - (c) On the death of any one of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit.
  - (d) Any one of such joint-holders may give effectual receipts for any dividend and payment on account of dividend, bonus, return of capital and other money payable in respect of such share.
  - (e) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

## **CONVERSION OF SHARES INTO STOCKS**

65. Company may convert shares into stock

The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination.

66. Holders of stock may transfer their interest

The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; provided however that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, and direct that fractions of a Ringgit Malaysia or of any other sum shall not be dealt with, with power nevertheless, at their discretion to waive such stipulations in any particular case and provided further that the minimum amount of stock transferable shall not exceed the nominal amount of the shares from which the stock arose.

67. Participation in dividends and profits

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages, as regards dividends, participation in assets on a winding up, voting at meetings of the Company, and other matters as would have been conferred by the shares from which the stock arose, but so that none of such rights, privileges or advantages, (except participation in dividends and profits of the Company and in assets on a winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such privilege or advantages.

68. Application of provisions

All such provisions of these Articles as are applicable to paid-up shares shall apply to stock and in all such provisions the word "share" shall include "stock" and the word "shareholder" and "member" shall include "stockholder".

## **INCREASE OF CAPITAL**

69. Power to increase capital

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or 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 by the resolution authorising such increase directs.

70. New capital to be considered as part of present share capital

Except so far as otherwise provided by the condition 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 installments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

## **ALTERATION OF CAPITAL**

71. Consolidation sub-division and cancellation

(1) The Company may from time to time by ordinary resolution:-



- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares;
  - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
  - (d) increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe; and
  - (e) reorganise its share capital by converting part or all of an existing class or classes of shares into another class or classes of shares and from one nominal value or values to another value or values.
- (2) The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.

72. Alteration in accordance with conditions and terms

Anything done in pursuance of the last preceding Article shall be done in the manner provided and subject to any conditions imposed by the Act so far as they shall be applicable, and so far as they are not applicable, in accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

73. Power to reduce capital

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to, any authorization, and conditions prescribed by the Act.

74. Information on shareholding

- (i) The Company may by notice in writing require any member of the Company within such reasonable time as is specified in the notice:-
  - (a) to inform the Company, whether he holds any voting shares in the Company as beneficial owner or as trustee or nominee; and
  - (b) if he holds them as trustee or nominee, to indicate so far as he can the persons for whom he holds them by name or by other particulars sufficient to enable those persons to be identified and the nature of their interest.
- (ii) Where the Company is informed in pursuance of a notice given to any person under sub-Article 74 (i) hereof or under this sub-Article that any other person has an interest in any of the voting shares in the Company the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:-



- (a) to inform the Company whether he holds that interest as beneficial owner or as trustee or nominee; and
- (b) if he holds them as trustee or nominee, to indicate so far as he can the persons for whom he holds it by name or by other particulars sufficient to enable them to be identified and the nature of their interest.
- (iii) The Company may by notice in writing require a member of the Company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to it.

## **GENERAL MEETINGS**

### **75. Annual general meeting**

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next, but so long as a company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

### **76. Extraordinary general meeting**

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

### **77. Form of notice**

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.

### **78. Convening of extraordinary general meeting**

The Directors may whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a meeting In compliance with a requisition received pursuant to Section 144 of the Act a meeting may be convened by such requisitionists in the manner provided in Section 144 of the Act. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

### **79. Notices of meetings**

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than twenty one (21) days' notice in writing. In respect of all other extraordinary general meetings, at least fourteen (14) days' notice before the meetings shall be given to all members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company), to the auditors for the time being of the Company, every person entitled to share in consequence of death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notices of meetings and to the Exchange on which the shares of the Company are listed.

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 and shall specify the place, the day and the hour of the meeting and, in

the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. The notices must also include the date of the Record of Depositors, as at the latest date which is reasonably practical and in any event shall not be less than three (3) Market Days before the meeting for the purpose of determining whether a depositor shall be regarded as a Member entitled to attend, speak and vote at the meeting. At least fourteen (14) days' notice or, where a special resolution is proposed or in the case of an annual general meeting, at least twenty one (21) days' notice of every such meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed. Provided that in respect of Deposited Securities (including Deposited Securities standing to the credit of an Omnibus Account):-

- (a) the Company shall request the Depository in accordance with the Rules, to prepare or provide, as the case may be, a Record of Depositors to whom notices of general meetings or adjourned general meetings shall be given by the Company. Subject to Article 56, the Record of Depositors requested under this Article 79(a) when made available to the Company shall be treated as the final record of all Depositors who shall be deemed to be the registered holders of shares of the Company entitled to receive notice of the general meeting or adjourned general meeting;
- (b) the Company shall request the Depository in accordance with the Rules, to prepare or provide, as the case may be, a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days (or such other period specified by the Act, the Central Depositories Act, the Rules, the Relevant Regulations and/or the Depository) before the general meeting or adjourned general meeting(s) or adjourned general meeting; and
- (c) subject to Article 56, 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 or adjourned general meeting and to speak and vote thereat by a person or proxy unless his name appears in the Record of Depositors or in the Registers requested for the purposes of such general meeting or adjourned general meeting.

#### 80. Business at meetings

Subject always to the provisions of Section 151 of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting, other than business of which notice has been given as aforesaid, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the report of the Directors and auditors, the election and remuneration of Directors, and the appointment of and fixing of the remuneration of the auditors.

#### 81. Entitlement to appoint proxy

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of 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. Provided that where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

The instrument appointing a proxy, shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a

corporation either under the seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and need not be any of the persons prescribed by Section 149 (1) (b) of the Act. A member of a Company entitled to attend and vote at a meeting of a company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak and vote (whether by a show of hands or poll) at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

82. Omission to give notice

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

83. Meeting deemed duly called

A meeting shall, notwithstanding that it is called by notice shorter than is required by Article 79 be deemed to be duly called if it is so agreed:-

- (1) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or
- (2) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than ninety five per cent (95%) in nominal value of the shares giving a right to attend and vote.

84. Special notice

Where by the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty eight (28) days before the meeting at which it is moved and the Company shall give its members notice of any such proposed resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable shall give them notice thereof, in any manner allowed by these Articles, not less than fourteen (14) days before the meeting, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty eight (28) days or less after the notice has been given the notice although not given to the Company within the time required by this Article shall be deemed to be properly given.

### **PROCEEDINGS AT GENERAL MEETINGS**

85. Business deemed special

All business shall be deemed special that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of the receipts and consideration of the profit and loss account, the balance sheet and group account (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the election and remuneration of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

86. Quorum at general meetings

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, where there are two (2) members of the Company present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of these Articles and entitled to vote shall be a quorum.

87. If quorum not present meeting adjourned or dissolved

If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within fifteen (15) minutes from the time appointed for holding the adjourned meeting the member or members present at an adjourned meeting shall form a quorum.

88. Chairman of general meeting

The chairman of the Directors, if any, or in his absence the deputy chairman of the Directors, if any, shall preside as chairman at every general meeting, but if there be no such chairman or deputy chairman, or if neither of them be present within 15 minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as chairman of such general meeting, and if there be no Director chosen who shall be willing to act, the members present in person or by proxy and entitled to vote shall choose one of their own number to act as chairman at such general meeting.

Without prejudice to any other power which the chairman may have under the provisions of these Articles or at common law and subject to the Act and the Listing Requirements, the chairman may take such action as he thinks fit to promote the orderly conduct of business of all general meetings as specified in the notice of such meetings and the chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter of such nature.

89. Notice of adjournment to be given

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

90. Members' resolution in writing

A resolution in writing signed by all the members of the Company or their agents authorised in writing shall (except where a meeting is prescribed by the Act) be as valid and effectual as if it had been passed at a meeting of the members duly convened and held, and such resolution may consist of several documents in like form each signed by or on behalf of one or more members. In the case of a corporate body which is a member of the Company such resolution may be signed on its behalf by any one (1) of its Directors or by any person (whether identified by name or by reference to the holding of any particular office) duly authorised by such corporate body by resolution of its Directors or other governing body or by Power of Attorney to sign resolution on its behalf.

91. How resolutions decided

(1) At any general meeting a resolution put to the vote of the meeting shall be determined by a show of hands of the members present in person or by proxy, unless a poll is demanded (before or upon the declaration of the result of a show of hands):-

(a) by the chairman of the meeting;

- (b) by at least three (3) members present in person or by proxy and entitled to vote thereat;
- (c) by any member or members present in person or by proxy representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.

PROVIDED THAT no poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.

- (2) Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the chairman of the meeting that a resolution has been carried or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

92. Authority of proxy to demand poll

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

93. Error in vote count

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

94. Poll to be taken as chairman shall direct

If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting may direct (including the use of a ballot or voting papers or tickets) and the result of a poll shall be deemed the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.

95. Time frame for taking poll

Subject to Article 91, a poll demanded on any question shall be taken either at once or at such time and place as the chairman of the meeting directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded.

96. Continuance of meeting despite poll

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

97. Poll may be withdrawn and notice must be given if not taken immediately

The demand for a poll may be withdrawn, and notice must be given of a poll not taken immediately.

**VOTES OF MEMBERS**

98. Rights and votes of members

- (1) Subject to Article 56 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares upon which all calls due to the Company have been paid.
- (2) Subject to Article 56 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a member or a member's representative, or holder of preference shares or proxy or attorney shall have one (1) vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him upon which all calls due to the Company have been paid. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. Subject to Article 56, the shares held or represented by a member present in person or by proxy or by attorney or other duly authorised representative shall, in relation to shares of a Depositor, be the number of shares entered against his name in the Record of Depositors.
- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

99. Corporation as member

Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or any class of members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

100. Votes of joint-holders

Subject to the Central Depositories Act and the Rules, when there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register or to the extent permissible under the Central Depositories Act and the Rules, on the Record of Depositors in respect of such share shall alone be entitled to vote in respect thereof.

101. Votes of lunatic, deceased or bankrupt member

- (1) 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 guardian or such other person as properly has the management of 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 not less than forty-eight (48) hours before the time appointed for holding the meeting.

- (2) The legal personal representative of a deceased member or the person entitled under the Articles 54 and 55 to any share in consequence of the death of bankruptcy of any member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof.

102. Member in default

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

103. Time for objection

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

104. Casting of votes by member

On a poll, votes may be given either personally or by proxy or attorney, and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

105. Chairman of the meeting to have casting vote

In the case of any equality of votes on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

106. Instruments of proxy

- (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting. Save as provided in Article 81, a member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) & (b) of the Act shall not apply to the Company and for the avoidance of doubt, there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

- (2) The Company shall be entitled and bound:-

- (a) to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Article 56, the Record of Depositors made available to the Company;

- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies, as the case may be, appointed by the member is able to cast on a poll the aggregate number of shares which is entered (i) against the name of that member in the Register and/or subject to Article 56, the Record of Depositors made available to the Company or (ii) in the case of a member who is a Depositor and an Authorised Nominee including an Exempt Authorised Nominee, against the Securities Account number and name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting as shown in the Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that member;
- (c) where a member of the Company is an Authorised Nominee, to accept the appointment of one proxy in respect of each Securities Account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an Authorised Nominee may be made separately or in one instrument of proxy and specify the Securities Account number and the name of the beneficial owner for whom the Authorised Nominee is acting; and
- (d) 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.

107. Form of proxy

The instrument appointing a proxy shall be in the following form or in such other form as the Directors may approve or in any particular case may accept:-





**MELEWAR INDUSTRIAL GROUP BERHAD**  
(8444-W)

**FORM OF PROXY**

(please refer to the notes below)

No. of ordinary shares held

I/We ..... NRIC No./Co. No./CDS No.: .....  
(Full Name in block letters)

of .....

(Full address)

being a member/members of **MELEWAR INDUSTRIAL GROUP BERHAD** hereby appoint \*Chairman of the meeting or

..... of .....  
(Name of proxy, NRIC No.) (Full Address)

..... or failing him/her

..... of .....  
(Name of proxy, NRIC No.) (Full Address)

..... as \*my/our proxy

to vote for \*me/us and on \*my/our behalf at the ..... of the Company to be held at the

..... on ..... at ..... or at any adjournment thereof on the following

resolutions referred to in the Notice of the ..... My/our proxy is to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against

(Please indicate with a "✓" or "X" in the spaces provided above on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion).

The proportion of my holdings to be represented by my \*proxy/proxies are as follows:

	Number of Shares	Percentage
First proxy		%
Second proxy		%
Total		100%

Dated this ..... day of .....

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

**NOTES:**

1. Applicable to shares held through a nominee account.
2. A member entitled to attend, speak and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company, and the provision of Section 149(a) & (b) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office, ....., not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. Any alteration in the Form of Proxy must be initialled.
8. Form of Proxy sent through facsimile transmission shall not be accepted.
9. For the purpose of determining a member who shall be entitled to attend this ....., the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with ..... of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at ..... Only a depositor whose name appears on the Record of Depositors as at ..... shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

\* Please strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he/she thinks fit).

108. Instrument of proxy to be duly executed

An instrument appointing a proxy shall:-

- (a) in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing; and
- (b) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer duly authorised on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority under which the instrument was signed by any such attorney or officer.

109. Deposit of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

110. Validity of proxy

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument of proxy, or of the authority which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used.

**DIRECTORS**

111. First Directors

(1) The first Directors of the Company are:

- (a) Yang Yen Fang (f)
- (b) Phan Tjuk Fa
- (c) Phan Sioe Lan (f)

(2) Until otherwise determined by the Company in general meeting the number of Directors shall not be less than two (2) nor more than twelve (12). No one other than a natural person shall be a Director of the Company.

112. Director's Qualification

There shall be no shareholding qualifications for Director. Notwithstanding that Directors are not members, all Directors shall be entitled to receive notice of and to attend and speak at all general meetings of, and any separate meeting of the holders of any class of share in the Company.

113. Rotation and retirement of Directors

- (1) At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office PROVIDED ALWAYS that all Directors including Managing Director and Executive Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of Directors shall take place each year. The cost of serving the notice to propose the election of a director where the nomination is made by a member or members shall be borne by the member or members making such nomination.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

114. Nomination of Director

A retiring Director shall be eligible for election but save as aforesaid and as provided in Article 120 no person shall be eligible for election as a Director at a general meeting unless a notice of intention to propose his election signed by a member or a notice of his consent to the nomination and signifying his candidature for the office, signed by himself have been left at the Office not more than thirty (30) days nor less than eleven (11) clear days before the date appointed for the meeting PROVIDED THAT in the case of a person recommended by the Directors for election nine (9) clear days' notice only shall be necessary and notice of every candidate for election shall be served on all members at least seven (7) days prior to the meeting at which the election is to take place.

115. Retiring director deemed to be re-appointed

The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution fill the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:-

- (a) at such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; and
- (b) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) such Director has attained the retiring age applicable to him as Director; or
- (d) such Director is disqualified under the Act or some other law for the time being in force holding office as a Director.

The retirement shall not take effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the director or a resolution for his re-election is put to the meeting and lost; and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

116. Election of Directors

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

117. Company may increase or reduce number of Directors

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

118. Alternate Directors

- (i) (a) Each Director shall have power from time to time to appoint any person, not being a Director, to act as his alternative Director and his appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.
- (b) The appointment of an alternate Director shall be valid if made by telex, facsimile or other electronic transmission, provided that such nomination shall be confirmed within one (1) month from the date of such telex, facsimile or other electronic transmission by a written nomination complying with the abovementioned requirements and any act done by the alternate Director nominated in such telex, facsimile or other electronic transmission shall be as valid and effectual as if such alternate Director had been duly appointed in the first instance.
- (c) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.
- (ii) The appointment of an alternate Director shall ipso facto determine:-
  - (a) if his appointor ceases for any reason to be a Director; or
  - (b) if his appointor revokes his appointment by delivering a notice in writing to the Office;

Provided that if any Director retires by rotation but is re-elected by the meeting or is, pursuant to the provisions of these Articles deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. 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 agent of or for the Director appointing him.

- (iii) An alternate Director shall be entitled (subject to his giving to the Company an address at which notices may be served on him) to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally in the absence of his appointor to perform all the functions of his appointor as a Director.

119. Removal of Directors

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 these Articles or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of a Director so removed from office and

any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

120. Directors' power to fill casual vacancies or appoint additional Directors

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

121. Remuneration of Directors

The total fees of all of the Directors in any year (excluding amounts payable under any other provision of these Articles) shall be a fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting, except salaries of executive Directors shall be such fixed sum as may be determined by the Board, and such fee shall be divisible (unless otherwise determined by an ordinary resolution of the Company in general meeting) among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) remuneration payable to Director(s) holding executive position(s) under Article 150(1) 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;
- (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; and
- (e) executive Director(s) shall, subject to the terms of any agreement entered into in any particular case, receive(s) such remuneration as the Directors may from time to time determine.

122. Payment of expenses

- (1) The Directors (including alternate Directors) shall be entitled to be reimbursed for all travelling, hotel or such reasonable expenses properly incurred in attending and returning from meetings of the Directors or of any committee of 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.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.



- (3) In case the Company be wound up for any reason or purpose whatsoever, a Director shall not be entitled to any compensation in respect of the period which elapses between the date of the said winding up and the date at which, if the Company has not been wound up, he would have retired under these Articles.
- (4) Any extra remuneration payable to:
  - (a) a non-executive Director shall not include a commission on or percentage of profits or turnover; and
  - (b) an executive Director shall not include a commission on or percentage of turnover.

123. Vacation of office of Directors

- (1) The office of Director shall, ipso facto, be vacated:-
  - (a) upon his attainment of the age of seventy (70) years, subject to Section 129 of the Act;
  - (b) if he ceases to be a Director by virtue of the Act;
  - (c) if he resigns his office by notice in writing under his hand sent to or left at the Office;
  - (d) if he shall have been absent from more than fifty per cent (50%) of the total meetings of the Directors held from the date of his election or appointment to the end of any financial year of the Company (whether or not an alternate Director appointed by him attended) unless otherwise exempted by the Exchange on application by the Company;
  - (e) if he has absented himself (such absence not being absence with leave or by arrangement with the Directors) from meetings of the Directors for three (3) months in succession, and his alternate Director (if any) shall not during such period have attended in his stead and the Directors pass a resolution that he has by reason of such absence vacated office;
  - (f) if he is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;
  - (g) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
  - (h) if he becomes bankrupt during his term of office or makes any arrangement or composition with his creditors generally;
  - (i) if he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act;
  - (j) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner required by the Act; or
  - (k) without the consent of the Company in general meeting holds any other office of profit under the Company except that of Managing Director or manager.
- (2) If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

## **POWERS AND DUTIES OF DIRECTORS**

### **124. General power of Directors to manage Company's business**

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company, and do on behalf of the Company all such acts as are within the scope of the Memorandum and Articles of Association of the Company and as are not by the Act or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles, 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

### **125. Cases where prior approval in general meeting of Company is required**

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

- (1) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the main undertaking or property of the Company; or
- (2) exercise any power of the Company to issue shares unless otherwise permitted under the Act, the Listing Requirements or these Articles; or
- (3) enter into any arrangement or transaction with a Director or a director of the holding company of the Company, or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value, as stated in the Act.

### **126. Borrowing powers of Directors**

- (1) Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

### **127. Debentures may be assignable**

Debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### **128. Benefits to those who serve the Company and to members**

The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances or benefits to any persons who are or shall have, been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any subsidiary

company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. PROVIDED THAT any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Act requires for proper disclosure to the members of the Company in general meeting.

129. Power to appoint attorneys

The Directors may from time to time, and at any time, by power of attorney under seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (which shall not exceed those vested in or exercisable by the Directors under these Articles and which shall not be such that the Directors are divested of the control and management of the Company's affairs) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may be made in favour of any corporation or of the members, directors, nominees or managers of any corporation or firm or otherwise in favour of any fluctuating body of persons, whether nominated, directly or indirectly, by the Directors and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors think fit. Any such attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

130. Signatures on cheques and bills

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time, by resolution, determine.

131. Director may hold any other office or place of profit

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit or as vendor, purchaser or in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested, be liable to be avoided, nor shall any Director so contracting or being so interested liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 131 and 132E and all other relevant provisions of the Act, the Listing Requirements and these Articles are complied with.

132. Right to payment for professional services

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



## **MINUTES AND REGISTERS**

### **133. Minutes**

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

- (1) of all appointments of managers and secretaries involve in the management of the Company's affairs;
- (2) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
- (3) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and
- (4) of all orders made by the Directors and any Committee of Directors

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

### **134. Keeping of registers**

The Company shall in accordance with the provisions of Section 141 of the Act, keep at the Office a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by the Act and shall from time to time notify the Registrar of Companies of any change in such Register and of the date of such change in manner prescribed by the Act.

## **PROCEEDINGS OF DIRECTORS**

### **135. Meetings of Directors**

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceeding as they think fit. The quorum necessary for the transaction of the business of the Directors shall be two (2) Directors.

### **136. Competency of quorum present**

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally. Subject to these Articles questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote except where only two Directors are competent to vote on the question at issue, or are the quorum present at meeting.

### **137. Meeting by conference telephone**

A member of the Board, or of a committee of the Board, may participate in a meeting of the Board or the committee by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. The venue of meeting held by means of a conference telephone or similar electronic tele-communicating equipment shall be decided by the Directors. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly subject to and in accordance with the provisions of the Act and these Articles.

Unless otherwise decided by the Directors, such a meeting shall be deemed to take place at the venue of the meeting stated in the notice of meeting.

138. Powers of continuing Directors during vacancy

The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to these Articles, the continuing Director or Directors may act for the purpose of increasing the number of Directors to such minimum number or of summoning a general meeting of the Company, but for no other purposes except in an emergency. If there are no directors or director able or willing to act, then any two (2) members may summon a general meeting for the purpose of appointing Directors.

139. Calling for meetings

A Directors may at any time summon a meeting of the Directors, and the Secretary, upon the request of the chairman of the Directors or any one (1) Director, shall convene a meeting of the Directors. Unless otherwise determined by the Directors, at least seven (7) days Notice of a Board meeting shall be given to all Directors and their alternate Directors. Such notice is deemed to be duly given to a Director or his alternate Director if it is given to him personally or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient. A Director may waive the requirement that notice be given to him of a Board meeting, either prospectively or retrospectively provided that the waiver is made and signed by the Director in writing. A Director absent or intending to be absent from Malaysia may request that notices of Board meetings during his absence be sent in hard copy form or by electronic communication to him at an address given by him to the Company for that purpose. If no request is made (and/or if no such non-Malaysian address is given) it is not necessary to give notice of a Board meeting to a Director who is absent from Malaysia

140. Directors may elect and remove a chairman

The Directors may from time to time elect and remove a chairman and deputy chairman of the Directors and determine the period for which they are respectively to hold the office. The chairman of the Directors so elected, or in his absence the deputy chairman of the Directors, shall preside at all meetings of the Directors but if no such chairman or deputy chairman of the Directors be elected, or if at any meeting the chairman or deputy chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as chairman of such Directors meeting.

141. Disclosure of Director

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state 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.

142. Director not to vote in contracts where he has an interest

No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company.

143. Director may be counted in quorum notwithstanding his interest

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 where 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 131 and all other relevant provisions of the Act and of these Articles.

144. Voting right of Director

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act, the Listing Requirements and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in the manner as aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

**COMMITTEES OF DIRECTORS**

145. Power to establish Committees etc

The Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any persons (whether or not a Director) to be a member or members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of these powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board, agency or managers or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

146. Meetings and proceedings of Committees

The meetings and proceedings of any such committee consisting of two (2) or more members (whether or not a Director) shall be governed by the terms of reference prescribed by the Directors. The quorum of any such committee meeting shall be fixed at two. Where the Board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed Directors, it is not necessary to give notice of a meeting of that committee to Directors other than the Director or Directors who form the committee and in the absence of such terms of reference, the provisions herein contained for regulating meetings and proceedings of Directors shall in so far as possible apply to meetings and proceedings of any such committee.

147. Chairman of Committee

A committee, local board or agency may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting, the chairman is not present within thirty (30) minutes after the time appointed for holding of the meeting, the members present may choose one (1) of their number to be the chairman at the meeting.

**VALIDATION OF ACTS OF DIRECTORS**

148. Validity of acts of Directors

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

**CIRCULAR RESOLUTIONS**

149. Resolutions signed by Directors to be valid

A resolution in writing signed or approved by letter, electronic mail, telegram, telex or telefax or other electronic communication by majority of the Directors who may be present in Malaysia and by majority of Directors who may be absent from Malaysia and who have supplied the Secretary an address for the giving of notices to them while they are so absent, and who are sufficient to form a quorum, but other than any Director who is precluded or prohibited from voting on the resolution in question by reason of these Articles or any applicable law, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present in Malaysia and has not supplied to the Secretary an address for the giving of notices to him while he is not so present but has an alternate who is so present, then such resolution shall be signed by such alternate.

All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates. Any such document may be accepted as sufficiently signed by a Director or his alternate if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the Director or his alternate.

**EXECUTIVE OFFICER(S)**

150. Executive officer

- (1) The Board may from time to time appoint any one or more of their body to be the holder of any executive office or position (including but not limited to the office of Chief Executive, Managing Director, Joint Managing Director, Assistant Managing Director or Chief Financial Officer) for such period and upon such terms as it thinks fit, provided always that any appointment to the office(s) of the Chief Executive and/or Managing Director shall be for such period not exceeding three (3) years.
- (2) The appointment of any Director to an executive position under Article 150(1) shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

- (3) The Board may entrust to and confer upon such Director(s) appointed to an executive position under Article 150(1), any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers, provided always that the Chief Executive and/or the Managing Director shall be subject to the control of the Board.

151. No exemption of executive Director and other appointees from retirement by rotation

The Managing Director or Managing Directors or Executive Director or Executive Directors shall, while he continues to hold such office, be subject to retirement by rotation and he shall be taken into account in determining the rotation or retirement of Directors pursuant to Article 113. He shall also be subject to the provisions of any contract between him and the Company and the same provisions as to resignation and removal from office as the other Directors of the Company and if he shall cease to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director or Managing Directors or Executive Director or Executive Directors, as the case may be.

152. Remuneration of executive officer

The remuneration of the Directors appointed to an executive position under Article 150(1), subject to the terms of any agreement entered into in any particular case, may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position under Article 150(1) shall be determined by the Board and can either be in addition to or in lieu of his/their fee as a Director.

### **ASSOCIATE DIRECTORS**

153. Power of Directors to appoint associate directors

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

### **THE SECRETARY**

154. Appointment by Directors

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

### **SEAL**

155. Formalities of affixing seal

The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors, or a committee of the Directors authorised by the Directors to use the Seal. The Directors may from time to time (subject to the provisions of Article 20 in relation to share and debenture stock certificates and debentures) make such regulations as they think

fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall (subject to Article 20) be signed by at least 2 Directors or by 1 Director and by the Secretary or by some other person appointed by the Directors for the purpose provided always that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with.

156. Share seal

The Company may also have a share seal pursuant to Section 101 of the Act.

**SEAL FOR USE ABROAD**

157. Power to have official seal for use abroad

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

**DIVIDEND**

158. Payment of dividends

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

159. Amount of dividend

No dividend shall be paid otherwise than out of profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors.

160. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends is paid, but amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 31, be treated for the purpose of this Article as paid up in the share.

All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

161. Interim dividends

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



162. Power to retain dividends

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

163. Dividends shall not bear interest

Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, any dividend or other monies payable on or in respect of any share shall not bear interest against the Company.

164. Asset, business or property bought by the Company

Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly.

Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

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

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

166. Unclaimed dividends

All dividends unclaimed for more than one (1) year after having been declared may be disposed off in accordance with the provisions of the Unclaimed Moneys Act, 1965. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company.

167. Transfer does not affect right to dividends declared before registration

A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer provided that any dividend declared on Deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or the Company's Registrar pursuant to the Rules for the purpose of determining the Depositors who are entitled to the dividends declared.

168. Receipt of dividends

The receipt of a single person appearing in the Register and/or the Record of Depositors to be the holder of any shares and where several persons appear in the Register or to the extent permissible under the Central Depositories Act and the Rules and the Relevant Regulations, in

the Record of Depositors to be the joint-holders of any shares the receipt of any one of such joint-holders shall be a sufficient discharge to the Company for any dividend or other moneys payable in respect of such shares.

169. Payment procedure

Subject to the provisions of the Act, the Central Depositories Act, the Rules, the Listing Requirements and/or regulatory authorities, any dividend, interest or other sum payable in cash by the Company in respect of a share may be paid by directly crediting the shareholders' dividend entitlements into their bank accounts by way of electronic bank transfer or cheque or warrant sent by post addressed to the holder at his registered address as it appears in the Register or the Record of Depositors or addressed to such person and at such address as the holder may in writing direct. Every electronic bank transfer or cheque or warrant shall, unless the holder otherwise directs, be remitted or made payable to the holder whose name appears in the Register or the Record of Depositors in respect of the shares, and shall be sent at his risk and payment of the cheque or warrant by a bank on which it is drawn shall constitute a good and full discharge to the Company. In addition, any such dividend or other sum may (subject to any restrictions which may be imposed by applicable law) be paid by any bank or other funds transfer system or such other means and to or through such person as the holder may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any holder may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by him. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were the holder of the share and his address noted in the Register or Record of Depositors were his registered address.

170. Payment of dividend in specie

- (i) The Company may, upon the recommendation of the Directors, in a general meeting or alternatively (but only in the case of interim dividends), the Directors alone, may direct payment of a dividend [whether (subject to the above in relation to where the Directors act alone) final, interim or otherwise howsoever] be made either wholly or partly by the distribution of specific assets on such terms and conditions as may be specified by such general meeting or the Directors alone, as the case may be.
- (ii) Without prejudice to the generality of the provisions of Article 158, any distribution of dividends to be made wholly or partly by the distributions of assets may (subject to terms and/or conditions as may be specified):
  - (a) without limitation, include or be in respect of Specific Securities of any other company or body corporate or entity [ which reference to assets includes (without limitation) such Special Securities];
  - (b) without limitation, be in respect of a specific asset or combination of assets and may also be in combination with cash payments;
  - (c) any cash payments to be so made, may (without limitation) be made in lieu of the distribution of an asset or part of an asset to member or members in respect of the whole or part of such member or members' entitlement to such distribution;
  - (d) be on terms and/or conditions [which (without limitation), may allocate differing types of distributions based on the size of holdings or whether holdings are or are not in certain board lots or multiples] such that members or certain members may be distributed assets of a differing nature or different assets or differing combinations of assets or in combination with cash or otherwise distributed solely as cash,

and the Directors may (without requiring authority from the Company in general meeting) fix any terms and/or conditions for any distribution of assets (whether in



combination with cash or otherwise) not already specified in any approval for such distribution (even if so approved in general meeting) including (without limitation), fixing the value of assets or particular assets to be distributed and/or the basis for valuation or determination of such value and the amounts of cash payments to be made in lieu of distribution of assets or particular assets and in any event, where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

- (iii) The Directors may, in relation to any such distribution of Specific Securities of a company, authorise any person to enter on behalf of all the members interested into an agreement with that company whereby such members agree to become members and to be bound, in respect of their holdings of the Specific Securities of that company from time to time, by the memorandum and articles of association (as amended from time to time) of that company and each mandate or other instruction relating to the payment of dividends or making of distributions by the Company, and which is in force at the time of determining entitlement to any distribution of such Specific Securities of that company, shall unless and until revokes, become a valid and binding mandate or other instruction to that company in respect of any dividend or other distribution paid or made by it, and any agreement made under the authority given to the Directors pursuant to this Article shall be effective and binding on all concerned.
- (iv) For the purpose of this Article 158, reference "Specific Securities" means "paid-up" shares, debentures stocks or such other securities".

171. Dividends payable by cheque and electronic dividend payment

Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the member or person entitled thereto. Every such cheque or warrant shall be payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warranty shall be sent at the risk of the person entitled to the money represented thereby.

Any dividend, interest or other moneys payable in cash in respect of shares deposited with the Depository will be paid by direct transfer or any other electronic means to the bank account of the member as provided to the Depository from time to time. Every such payment shall be effected in accordance with the provisions of the Act, the Centre Depositories Act and the Rules, the Listing Requirements and/or any other legislative or regulatory provisions. Every such payment shall be a good discharge to the Company and be effected at the risk of the person entitled to the money represented thereby.

172. Unclaimed Dividends

Subject to the Unclaimed Monies Act, 1965 all dividends unclaimed for one (1) year, after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

173. Members only entitles to Dividends

Every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the Register and Record of Depositors at the date fixed for entitlement of such dividend, notwithstanding any subsequent or transmission of share.

## **CAPITALISATION OF PROFITS**

### **174. Capitalisation on recommendation of Directors**

The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purposes of this Article, be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

### **175. Appropriations and allotments**

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

## **ACCOUNTS**

### **176. Accounts to be kept, custody of books and inspection by members**

The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to Section 167(4) of the Act the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

### **177. Presentation of accounts**

The Directors shall from time to time in accordance with Section 169 of the Act, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors' and auditors' reports shall not exceed four (4) months or as stipulated by the Exchange or the Act. A copy of the Annual Report including the Documents in printed form or in CD-ROM form or in such other form or electronic media or means or any combination thereof shall not less than twenty (21) days (or such other shorter period as may be agreed by all members entitled to

attend and vote at the meeting) before the date of the meeting, provided always that it shall not exceed six months from the close of the financial year of the Company, be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these Documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

178. Directors not bound to publish any securities or investments of the Company

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

179. Report in CD-ROM or DVD ROM Format

Subject to the compliance with the Listing Requirements and any other relevant laws and regulations, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in a format that may be developed in future for the playback on images.

### **AUDITORS**

180. Appointment of auditors

Auditors shall be appointed in accordance with Sections 8 and 9 of the Act and their duties regulated in accordance with Sections 172 to 175 of the Act.

181. Auditors right to receive notices of and attend and speak at general meetings

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

### **LANGUAGE**

182. Accounts to be kept in English or Malay language

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

### **DESTRUCTION OF DOCUMENTS**

183. Destruction of records

Subject as hereinbefore provided and to any law in Malaysia for the time being in force, the Company shall be entitled to destroy :-

- (i) at any time after the expiration of six (6) years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be, all instruments of transfer of shares or other forms of security of the Company which shall have been registered and all letters of request, renounces allotment letters, share

certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the Register of Transfer shall have been made and all records on microfilm or on any other system of data recording and storage;

- (ii) at any time after the expiration of one (1) year from the date of cancellation thereof, all registered certificates for shares or representing any other form of security of the Company (being certificates for shares or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) and mandates and other written directions as to the payment of dividends or interest (being mandates or directions which have been cancelled); and
- (iii) at any time after the expiration of one (1) year from the date of the recording thereof, all notifications of change of name or address;

and it shall conclusively be presumed in favour of the Company that :-

- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly executed and registered;
- (b) every certificate for shares or representing any other form of security so destroyed was a valid certificate duly and properly cancelled; and
- (c) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided that :-

- (aa) the provisions aforesaid shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (bb) nothing herein contained shall be construed as imposing on the Company any ability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of provision (1) above are not fulfilled; and
- (cc) references herein to the destruction of any document include references to the disposal thereof in any manner.

### **AUTHENTICATION OF DOCUMENTS**

#### **184. Authentication of documents**

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of this Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

## **NOTICES**

### **185. Service of notices**

A notice or other document shall be served by the Company or the Secretary on any member or Director, as the case may be, either personally or by sending it through the post in prepaid letter addressed to such member or Director at his registered address as appearing in the Register or the register of Directors and the Records of Depositors, as the case may be, in Malaysia to the address or addresses, if any, within Malaysia supplied by him to the Company for the giving of notices to him. A notice or other document to be served on a member with an address outside Malaysia shall be forwarded by airmail or any speedier form of transmission permitted by law.

### **186. Proof of service**

In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box.

### **187. Service of notices by telefax etc**

A notice or other document may also be served by the Company or the Secretary on any member or Director by transmitting it by telefax or by telex with confirmed telex answerback (with postage prepaid air mail confirmation) to such member or Director at the telefax or telex number of such member or Director appearing in the Register or the Record of Depositors or the Register of Directors or specified by such member or Director to the Company or the Secretary as such member's or Director's telefax or telex number for the time being in the case of telex messages and at the telefax number appearing in the Register or the Record of Depositors or the Register of Directors or specified by such member or Director to the Company or the Secretary as such member's or Director's telefax number for the time being in the case of telefax messages.

### **188. Service of notices in respect of joint holdings**

With respect to any share to which persons are jointly entitled, all notices shall be given to the person first named in the Register or to the extent permissible under the Central Depositories Act and the Rules, in the Record of Depositors and any notice so given shall be sufficient notice to all the holders of such share.

### **189. Service of notices after death or bankruptcy of member**

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

### **190. Service of notice on deceased member**

Subject always to the provisions of Article 181, any notice or document delivered or sent by post to, or left at, the registered address of any member shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.

191. Notice of general meeting

- (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
  - (a) every member at his registered address as appearing in the Register or Record of Depositors, as the case may be, in Malaysia, or (if he has address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him;
  - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
  - (c) the auditor for the time being of the Company; and
  - (d) the relevant Exchange.
- (2) Save as otherwise provided in these Articles or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

**WINDING UP**

192. Distribution of assets in specie

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

193. Proportionate distribution of assets

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

- (1) If the a Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and
- (2) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.



194. Liquidator's remuneration subject to approval of members

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

**SECRECY CLAUSE**

195. Member not entitled to information of the Company

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

**INDEMNITY**

196. Indemnity to officers

Subject to the provisions of the Act, every Director appointed to an executive position under Article 150(1), agent, auditor, Secretary and other officer for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and every of them and every of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, or any of their heirs, executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, trust, except such (if any) as they shall incur or sustain, by or through their own willful default or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them, or for joining in any receipts for the sake of conformity or for any bankers or person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody; or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices, trusts, or in relation thereto, unless the same shall happen by or through their own willful neglect or default respectively.

**RECONSTRUCTION**

197. Power of Directors or liquidators

On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such shares or securities, or any property of the Company amongst the members without realisation, or vest the same in trust for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 270 of the Act as are incapable of being varied or excluded by these Articles.

## **EFFECT OF THE LISTING REQUIREMENTS**

198. These Articles shall be construed with strict compliance to the Listing Requirements in that :-
- (i) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
  - (ii) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.
  - (iii) 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).
  - (iv) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
  - (v) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
  - (vi) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.

Notwithstanding the foregoing, nothing herein shall prevent the Company from applying to the Exchange for any waiver of its compliance or observance of any of the Listing Requirements and in the event the compliance or observance of any of the Listing Requirements is waived by the Exchange, the Company shall be exempted from such compliance.

199. **Compliance with statutes, regulations and rules**

The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time; or any other directives or requirements imposed by the Exchange, the Depositary and other appropriate authorities, to the extent required by law, notwithstanding any provision on these Articles to the contrary.

200. **Waiver**

Where permitted under the law, the Company is empowered to apply as the Directors think fit, to the Exchange to :

- (i) waive or modify the Company's compliance with any of the Listing Requirements or part thereof; and/or
- (ii) vary or revoke any decision(s) made by the Exchange in respect of the Company's compliance with any of the Listing Requirements or part thereof.



We, the several persons whose names and addresses are subscribed hereunder being subscribers hereby agree to the foregoing Articles of Association.

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Name, Addresses and Descriptions of Subscribers

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PHAN TJUK FA,  
82-A, Jalan Larkin,  
Johore Bahru.  
Merchant

YANG YEN FANG (f)  
51A, Medan Imbi,  
Kuala Lumpur  
Merchant

PHAN SIOE LAN (f),  
82-A, Jalan Larkin,  
Johore Bahru.  
Accountant

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Dated this 10<sup>th</sup> day of February, 1969

Witness to the above signatures :-

HEW KIANG MAIN,  
*Certified Public Accountant (Malaysia)*,  
Bangkok Bank Building (6<sup>th</sup> Floor),  
105, Jalan Bandar,  
Kuala Lumpur.

Title of Document : **Memorandum and Articles of Association**  
Lodged by : TRACE MANAGEMENT SERVICES SDN BHD (48646-M)  
SUITE 12.03, 12TH FLOOR  
NO. 566, JALAN IPOH  
51200 KUALA LUMPUR  
TEL: 03-6252 8880 FAX: 03-6252 8080

**Lodged in the Office of the Companies Commission of Malaysia  
Kuala Lumpur**

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

This Circular has been reviewed and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information given 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 CONTRACTS**

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by MIG and/or its subsidiaries within the two (2) years immediately preceding the date of this Circular.

- (a) Business Transfer Agreement ("BTA") dated 15 January 2014 entered into between the Company and MST involving the following for a total purchase consideration of Ringgit Malaysia One (RM1.00) only subject to further terms and conditions stipulated in the BTA which was completed on 30 April 2014 :
  - (i) the sale and transfer of the Company's steel tube trading, sales & marketing business ("Business") to MST as at a cut-off date 30 November 2013, which comprise of the following:
    - a) the outstanding forward steel tube orders of the Business;
    - b) the customer portfolios of the Business;
    - c) the intellectual property rights of the Business such as trademarks and trade names;
    - d) the employees of the Business;
    - e) the trade receivables of the Business; and
    - f) the outstanding financing facilities of the Business.
  - (ii) the novation of the Company's existing financing facilities with its financiers to MST.
- (b) Shares Sale Agreement dated 4 April 2014 entered into between Melewar Steel Engineering Sdn Bhd and E Power Pte Ltd in respect of the proposed disposal of Fifty One (51) Ordinary Shares of US\$1.00 each representing 51.0% of the issued and paid-up share capital of MPerial Power Ltd for a total consideration of United States Dollar: Eleven Million (US\$11,000,000) only which was completed on 30 April 2014; and
- (c) Conditional Share Sale and Purchase Agreement dated 12 September 2014 entered into between the Company and MSB in respect of the proposed disposal of 100% equity interest held in MST to MSB for a disposal consideration of RM70.0 million to be satisfied in the following manner:
  - (i) issuance of 104,545,455 new ordinary shares of RM0.25 each in MSB ("Consideration Shares") at an issue price of RM0.44 per Consideration Share amounting to RM46.0 million; and
  - (ii) novation of trade debt by MIG to MSB in relation to an amount owing by MIG to MST amounting to RM24.0 million.

### 3. MATERIAL LITIGATION

Save as disclosed below, MIG Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of MIG and the Board is not aware of any proceedings pending or threatened against the Company or its subsidiaries or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of MIG Group:

**Mycron Steel Berhad v Multi Resources Holdings Sdn. Bhd.  
(High Court of Sabah and Sarawak Suit No. KCH-22-80-2011)**

On 18 February 2010, MSB commenced legal action against Multi Resources Holdings Sdn. Bhd. (“**Defendant**”) to recoup its cost of investment of RM17.0 million in PMP Galvanizers Sdn. Bhd. (“**PMPG**”) as a result of non-compliance of certain conditions by the Defendant pursuant to a shareholders’ agreement entered in 2005. On 21 May 2010, the Defendant successfully filed with the Kuala Lumpur High Court for a change in the jurisdiction for the case to be heard in Kuching. On 27 April 2011, MSB’s solicitor filed the Writ of Summons and Statement of Claim to the High Court of Sabah and Sarawak (“**Court**”). Hearings and trial of the case were conducted in the periods between 18 June 2012 to 21 June 2013, with the final submission made on 5 September 2013. The Court ruled on 18 October 2013 that MSB’s claim be dismissed with cost of RM60,000 on the ground that MSB has failed to comply with a certain condition precedent requiring MSB’s nominee on the Board of Directors of PMPG to resign first before it is entitled to the claim against the Defendant. MSB has filed an appeal on 13 November 2013 against the Court’s decision and the Defendant has filed a cross-appeal on 10 January 2014. MSB is now waiting for the Court to set a date for hearing.

### 4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during the normal business hours for the period from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) Memorandum and Articles of Association of MIG;
- (ii) The material contracts referred to under Item 2 above;
- (iii) The relevant cause papers referred to under Item 3 above; and
- (iv) Audited financial statements of MIG Group for the two (2) financial years ended 30 June 2013 and 30 June 2014.



**MELEWAR INDUSTRIAL GROUP BERHAD**

(Co. No. 8444-W)

(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the **45TH ANNUAL GENERAL MEETING** of the Company will be held at **Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur** on **Tuesday, 9 December 2014** at **1.30 p.m.** for the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

**Resolution**

- |    |   |   |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the year ended 30 June 2014 together with the Reports of the Directors and the Auditors thereon.  | <b>Please refer to Explanatory Note A</b> |
| 2. | To approve the payment of Directors' fees amounting to RM308,400 for the financial year ending 30 June 2015 to be payable quarterly in arrears.   | <b>1</b>                                  |
| 3. | To re-elect Major General Datuk Lai Chung Wah (Rtd) who is retiring pursuant to Section 129(6) of the Companies Act, 1965 ("the Act") and to hold office until the conclusion of the next Annual General Meeting ("AGM"). | <b>2</b>                                  |
| 4. | To re-elect the following Directors of the Company who are retiring pursuant to Article 96 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:                            |   |
|    | (i) Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah  | <b>3</b>                                  |
|    | (ii) En Azlan bin Abdullah  | <b>4</b>                                  |
| 5. | To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>5</b>                                  |

**AS SPECIAL BUSINESS**

6. To consider and, if thought fit, to pass the following resolutions as Ordinary/Special Resolutions:-

**ORDINARY RESOLUTIONS**

- (a) **Proposed Renewal of Share Buy-Back Authority** **6**

"THAT, subject to the Act, provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant regulatory authorities, the Company be and is hereby authorised to exercise a buy-back of its ordinary shares as determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors in their discretion deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back") provided that:

- (i) the maximum number of ordinary shares which may be purchased or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company at the point of purchase;

- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium account of the Company at the time of the purchase(s);
- (iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
  - (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,  
  
whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and
- (iv) upon completion of the purchase(s) of its shares by the Company, the Directors be and are hereby authorised to:
  - (a) cancel the shares so purchased;
  - (b) retain the shares so purchased as treasury shares, either to be distributed as dividends to the shareholders and/or resold on the market of Bursa Securities;
  - (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - (d) deal in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authority for the time being in force

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any condition, modification, variations and/or amendment as may be imposed by the relevant authorities and to do all such steps, acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

(b) **Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")**

7

"THAT the mandate granted by the shareholders of the Company on 29 November 2013 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries ("the MIG Group") to enter into the RRPTs which are necessary for the MIG Group's day-to-day operations as set out in Section 3.3(A) and (B) of Part B of the Circular to Shareholders dated 17 November 2014 ("the Circular") with the related parties mentioned therein, be and is hereby renewed, AND THAT mandate be and is hereby granted by the shareholders of the Company to apply to the new RRPTs as set out in Section 3.3(C) of Part B of the Circular with the related party mentioned therein, provided that:

- (a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;
- (b) the transactions are made at arm's length and on normal commercial terms; and
- (c) disclosure will be made in the Annual Report providing the breakdown of the aggregate value of the transactions conducted pursuant to the mandate during the financial year, amongst others, based on the following information:
  - (i) the type of the RRPTs made; and
  - (ii) the names of the related parties involved in each type of the RRPTs made and their relationship with the Company.

AND THAT the authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in a general meeting) until:

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(c) **Authority to Issue and Allot Shares Pursuant to Section 132D of the Act** **8**

“THAT, subject always to the Act, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Section 132D of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued.”

**SPECIAL RESOLUTION**

(d) **Proposed Adoption of a New Set of Memorandum and Articles of Association of the Company** **9**

“THAT the entire set of Memorandum and Articles of Association (“M&A”) as set out in the Appendix 1 of the Circular to Shareholders of the Company dated 17 November 2014 be adopted in substitution for and to the exclusion of the M&A of the Company now subsisting AND THAT the Directors of the Company and Company Secretary be and are hereby authorised to take all such steps and carry out all the necessary formalities to give full effect to the proposed adoption of the Company’s new M&A.”

By Order of the Board

**LILY YIN KAM MAY (MAICSA 0878038)**  
**SOON LEH HONG (MIA 4704)**  
Company Secretaries

Kuala Lumpur  
17 November 2014

**NOTES:**

1. Applicable to shares held through a nominee account.
2. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(a) & (b) of the Act shall not apply to the Company.
3. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 12.03, 12th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. Any alteration in the Form of Proxy must be initialled.
7. Form of Proxy sent through facsimile transmission shall not be accepted.
8. For the purpose of determining a member who shall be entitled to attend this 45th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 56(2.1), 56(2.2) and 56(2.3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 3 December 2014. Only a depositor whose name appears on the Record of Depositors as at 3 December 2014 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.
9.
  - (i) **Explanatory Note to Ordinary Business of Agenda 1 (Explanatory Note A):**  
This Agenda item is meant for discussion only as the provision of Section 169(1) of the Act, does not require a formal approval of the shareholders and hence, is not put forward for voting.
  - (ii) **Re-election of Director**  
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, aged 59, who was appointed as a director of the Company on 3 May 2005 and had served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years will retire pursuant to Article 96 of the Company's Articles of Association and will not seek re-election in view of recommendation 3.2 of Malaysian Code on Corporate Governance 2012. Hence, he will retain office until the close of the 45th AGM.
  - (iii) **Explanatory Notes to Special Business of Agenda 6:**
    - (a) **Proposed Renewal of Share Buy-Back Authority**  
The Proposed Resolution 6, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares ("the Proposal") by utilising its financial resources not immediately required. The Proposal may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.
    - (b) **Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")**  
The Proposed Resolution 7, if passed, will empower the Company to conduct recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.



**(c) Authority to Issue and Allot Shares Pursuant to Section 132D of the Act**

The Ordinary Resolution proposed under Resolution 8 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.

This resolution will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to and not exceeding in total ten percent (10%) of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 44th AGM held on 29 November 2013 and which will lapse at the conclusion of the 45th AGM to be held on 9 December 2014.

**(d) Proposed Adoption of a New Set of Memorandum and Articles of Association of the Company**

The Proposed Resolution 9, Adoption of a new set of Memorandum and Articles of Association is to streamline the Company's Memorandum and Articles of Association to be aligned with the new and/or amended provisions of the Main Market Listing Requirements of Bursa Securities and other prevailing statutory and regulatory requirements and/or other applicable rules and guidelines which have been revised.

The detailed information on Special Business of Agenda 6 except for Ordinary Resolution 8 as mentioned above is set out in the Circular to Shareholders of the Company dated 17 November 2014 which is dispatched together with the Company's 2014 Annual Report.