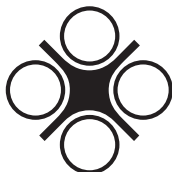


**THIS STATEMENT/CIRCULAR (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), Part I and Part III of this Circular are not required to be reviewed by Bursa Malaysia and have not been perused by Bursa Malaysia before the issuance. Bursa Malaysia has only perused through Part II of this Circular in respect of the proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature [Appendix II (B)] on a limited review basis. Further, Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



## **TAN CHONG MOTOR HOLDINGS BERHAD**

(Company No. 12969-P)  
(Incorporated in Malaysia)

### **PART I**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF  
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**

### **PART II**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS’  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR  
TRADING NATURE**

### **PART III**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ALTERATION AND  
AMENDMENT OF THE CONSTITUTION OF THE COMPANY**

The ordinary/special resolutions in respect of the above proposals will be tabled at the Forty-Sixth (46<sup>th</sup>) Annual General Meeting of the Company. The Notice of the said Meeting and Form of Proxy are set out in the 2017 Annual Report despatched together with this Circular.

The Form of Proxy should be completed and returned in accordance with the instructions therein.

Last date and time for lodging the Form of Proxy : Tuesday, 22 May 2018 at 10.30 a.m.

Date and time of the 46<sup>th</sup> Annual General Meeting : Thursday, 24 May 2018 at 10.30 a.m.

Venue of the 46<sup>th</sup> Annual General Meeting : The Grand Ballroom, Level 9  
Sunway Putra Hotel  
100, Jalan Putra  
50350 Kuala Lumpur

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## DEFINITIONS

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

|                            |   |   |
|----------------------------|---|---|
| Act                        | : | Companies Act, 2016 as amended from time to time and any re-enactment thereof   |
| AGM                        | : | Annual General Meeting  |
| APM                        | : | APM Automotive Holdings Berhad  |
| APM Group                  | : | APM and its subsidiaries and joint ventures   |
| Arm's Length               | : | Price which would have been determined if such transactions are made between independent parties under the same or similar circumstances  |
| Audit Committee            | : | Audit Committee of TCMH comprising Mr Siew Kah Toong, Dato' Ng Mann Cheong and Mr Lee Min On, all of whom are Independent Non-Executive Directors   |
| Auto Dunia                 | : | Auto Dunia Sdn Bhd  |
| Board                      | : | Board of Directors of TCMH  |
| Bursa Malaysia             | : | Bursa Malaysia Securities Berhad  |
| Code                       | : | Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time and any re-enactment thereof  |
| Director                   | : | The meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of TCMH, its subsidiary or holding company or a chief executive officer of TCMH, its subsidiary or holding company |
| EPF                        | : | Employees Provident Fund Board  |
| EPS                        | : | Earnings per share  |
| Listing Requirements or LR | : | Main Market Listing Requirements of Bursa Malaysia  |
| Major Shareholder          | : | A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:<br><br>(a) 10% or more of the total number of voting shares in the corporation; or<br>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.                               |

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8(4) of the Act.

In relation to the Proposed Shareholders' Mandate, a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of TCMH or any other company which is its subsidiary or holding company.

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**DEFINITION (CONT'D)**

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|  |   |   |
|--|---|---|
| NA   | : | Net Assets  |
| Proposals                                    | : | Proposed Share Buy-Back, Proposed Shareholders' Mandate and Proposed Alteration and Amendment collectively  |
| Proposed Alteration and Amendment            | : | Proposed alteration and amendment of the Constitution of TCMH   |
| Proposed Share Buy-Back                      | : | Proposed renewal of authority for TCMH to purchase and/or hold its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company                                |
| Proposed Shareholders' Mandate               | : | Proposed renewal of and new Shareholders' Mandate for RRPT of the TCMH Group as set out in this Circular  |
| Related Party                                | : | Director, Major Shareholder or person connected with such Director or Major Shareholder; and "Related Parties" shall be construed accordingly   |
| Related Party Transaction                    | : | Transaction entered into by TCMH or its subsidiaries which involves the interest, direct or indirect, of a Related Party  |
| Recurrent Related Party Transactions or RRPT | : | Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations and in the ordinary course of business of TCMH or its subsidiaries |
| RM and sen                                   | : | Ringgit Malaysia and sen respectively   |
| Shareholders' Mandate                        | : | Shareholders' general mandate pursuant to Paragraph 10.09 of the Listing Requirements in respect of RRPT  |
| TCC  | : | Tan Chong Consolidated Sdn Bhd  |
| TCIL   | : | Tan Chong International Limited   |
| TCIL Group                                   | : | TCIL and its subsidiaries   |
| TCMH or Company                              | : | Tan Chong Motor Holdings Berhad   |
| TCMH Group or Group                          | : | TCMH and its subsidiaries   |
| TCMH Shares                                  | : | Ordinary shares in the Company  |
| WTCH   | : | Warisan TC Holdings Berhad  |
| WTCH Group                                   | : | WTCH and its subsidiaries and jointly-controlled entities   |

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# TAN CHONG MOTOR HOLDINGS BERHAD

(Company No. 12969-P)  
(Incorporated in Malaysia)

## Registered Office:

62-68 Jalan Sultan Azlan Shah  
51200 Kuala Lumpur

26 April 2018

## Board of Directors:

Dato' Tan Heng Chew (*President*)

Dato' Khor Swee Wah @ Koh Bee Leng (*Group Chief Executive Officer*)

Ho Wai Ming (*Chief Financial Officer*)

Dato' Ng Mann Cheong (*Senior Independent Non-Executive Director*)

Siew Kah Toong (*Independent Non-Executive Director*)

Lee Min On (*Independent Non-Executive Director*)

To: The Shareholders of Tan Chong Motor Holdings Berhad

Dear Shareholders:

**PART I : PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED SHARE BUY-BACK”)**

**PART II : PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

**PART III : PROPOSED ALTERATION AND AMENDMENT OF THE CONSTITUTION OF THE COMPANY (“PROPOSED ALTERATION AND AMENDMENT”)**

## 1. INTRODUCTION

At the Company’s Forty-Fifth AGM held on 25 May 2017, the shareholders gave approval for:

- (a) the Directors to purchase and/or hold up to 10% of the total number of issued shares of the Company; and
- (b) the Company and its subsidiaries to enter into Recurrent Related Party Transactions.

The above approvals shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless fresh approvals are obtained.

On 27 February 2018, the Company announced to Bursa Malaysia that it would seek approval from its shareholders for the Proposed Share Buy-Back, Proposed Shareholders’ Mandate and Proposed Alteration and Amendment at the forthcoming AGM of the Company.

The Proposed Share Buy-Back and Proposed Shareholders’ Mandate would become effective immediately upon the passing of the proposed resolutions and will expire at the conclusion of the next AGM of the Company unless the authority and mandate are further renewed by resolutions passed at a general meeting (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by ordinary resolutions of the shareholders of the Company in a general meeting, whichever occurs first.

**The purpose of this Circular is to provide you with information on the Proposals and to seek your approval for the proposed resolutions to be tabled at the forthcoming AGM of the Company.**

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## **2. PART I : PROPOSED SHARE BUY-BACK**

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### **2.1 DETAILS OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase and/or hold its own shares on Bursa Malaysia of up to 10% of its total number of issued shares at any point in time during the authorised period (as explained below), subject to the provisions of Section 127 of the Act and regulations thereunder, the Listing Requirements, the Company's Constitution and any prevailing laws, regulations, rules, orders, guidelines and requirements of any relevant authorities (as may be amended, modified or re-enacted from time to time) at the time of purchase(s). The Proposed Share Buy-Back will be executed through Bursa Malaysia via TCMH's appointed stockbrokers.

The authorised period for the Proposed Share Buy-Back, if approved at the forthcoming AGM, shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back at the forthcoming AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

The Company may retain the shares purchased as treasury shares or cancel the shares or both, depending on the capital requirements of the Company at that point in time. Where the Company retains the purchased shares as treasury shares, the Directors of the Company may –

- (a) distribute the shares as share dividends to shareholders;
- (b) resell the shares through Bursa Malaysia in accordance with the rules of Bursa Malaysia;
- (c) transfer the shares for the purposes of or under an employees' share scheme;
- (d) transfer the shares as purchase consideration;
- (e) cancel the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as permitted by the Act.

Appropriate announcement(s) and notification(s) will be made to Bursa Malaysia and the relevant authorities in respect of the Board's decision on the treatment of the TCMH Shares bought back in compliance with the Listing Requirements and the Act.

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions, whether cash or otherwise, of the Company's assets (including any distribution of assets upon winding up of the Company) will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including 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.

### **2.2 QUANTUM, FUNDING AND PRICING**

The actual number of TCMH Shares which may be purchased and the timing of the purchase(s) will depend on, inter alia, market conditions, the availability of retained earnings and financial resources of the Company as well as Bursa Malaysia's requirement to maintain the necessary shareholding spread and the minimum total number of issued shares.

The Proposed Share Buy-Back will be financed through internally generated funds and shall be made out of the retained earnings of the Company. The maximum amount of funds to be allocated for the Proposed Share Buy-Back will be subject to the retained earnings of the Company. Based on the latest audited financial statements of the Company as at 31 December 2017, the retained earnings were RM954,776,000.

Based on the total number of issued shares of TCMH less treasury shares as at 30 March 2018, the maximum number of TCMH Shares that may be purchased amounts to 47,861,000 shares. Based on the weighted average market price for the five (5) market days up to 18 April 2018 (being the latest practicable date prior to the printing of this Circular) of RM1.69 per share, the maximum purchase cost would be about RM80.89 million.

The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back and will assess the working capital needs of the TCMH Group prior to any purchase of TCMH shares.

### **2.3 REGULATORY REQUIREMENTS**

In accordance with the Listing Requirements, the Company may only purchase the ordinary shares on Bursa Malaysia at a price which is not more than 15% above the weighted average market price for the five (5) market days immediately before the purchase. The Company may only resell/transfer treasury shares on Bursa Malaysia at –

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

Based on the Listing Requirements, the Proposed Share Buy-Back is subject to, inter alia, the following:-

- (a) the Company must not purchase its own shares on Bursa Malaysia if the purchase(s) will result in TCMH not complying with the public shareholding spread requirement of at least 25% of its total number of issued shares (excluding treasury shares) are in the hands of public shareholders;
- (b) the purchase price of shares and the subsequent resale price of treasury shares on Bursa Malaysia, as set out in Section 2.2 of this Circular;
- (c) the maximum funds to be utilised for the purchase of the Company's own shares cannot exceed the level of retained earnings of the Company;
- (d) the Proposed Share Buy-Back shall only be effected on the market of Bursa Malaysia. Consequently, the Proposed Share Buy-Back shall be transacted through appointed stockbrokers; and
- (e) the approval of the shareholders at the forthcoming AGM of the Company.

### **2.4 RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES**

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources to purchase its own shares. The Proposed Share Buy-Back is expected to stabilise the supply and demand as well as the prices of TCMH Shares. The Proposed Share Buy-Back may enhance the EPS and the shares purchased which are held as treasury shares may be realised with potential gain. In the event the treasury shares are distributed as share dividends, it will serve as a reward to the shareholders of the Company.

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

**Potential Advantages:**

- (i) will allow the Company the flexibility in attaining its desired capital structure;
- (ii) will reward the shareholders in the event the treasury shares are distributed as share dividends; and
- (iii) will allow the Company to utilise its surplus financial resources to purchase its own shares, hence, stabilise the supply and demand of TCMH Shares.

**Potential Disadvantages:**

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

**2.5 PURCHASE, CANCELLATION AND RE-SALE/TRANSFER IN THE PREVIOUS 12 MONTHS**

TCMH had bought back 2,000 of its own shares in the preceding 12 months ended 30 March 2018. Details of the shares bought back and currently held as treasury shares are as follows:

| Date       | No. of shares bought back and held as treasury shares | Highest price paid per share (RM) | Lowest price paid per share (RM) | Average price paid per share (RM) | Total Consideration (RM) |
|------------|---|-----------------------------------|----------------------------------|-----------------------------------|--------------------------|
| 09/05/2017 | 1,000   | 1.86                              | 1.86                             | 1.86                              | 1,904.99                 |
| 04/12/2017 | 1,000   | 1.51                              | 1.51                             | 1.51                              | 1,554.89                 |

The total number of shares bought back as at 30 March 2018 was 19,339,000. TCMH did not cancel or re-sell/transfer any of its treasury shares during the same period.

As at the date of this Circular, the Company has not decided on the action to be taken on the TCMH Shares purchased. The decision will be made by the Board at the appropriate time.

**2.6 EFFECTS OF THE PROPOSED SHARE BUY-BACK**

Based on the assumption that the Proposed Share Buy-Back is carried out in full and the shares so purchased are cancelled or alternatively retained as treasury shares or both, the effects of the Proposed Share Buy-Back on the total number of issued shares, NA, working capital, earnings, dividends and substantial shareholders' and Directors' shareholdings as well as the implications relating to the Code are as set out below:



**(a) Total Number of Issued Shares**

In the event that the maximum number of shares authorised under the Proposed Share Buy-Back are purchased and cancelled, the total number of issued shares of TCMH as at 30 March 2018 will be as follows:

|   | <u>No. of shares</u> |
|---|----------------------|
| Total number of issued shares   | 672,000,000          |
| Purchased and held as treasury shares as at 30 March 2018                     | (19,339,000)         |
| Proposed Share Buy-Back if the maximum no. of shares are purchased            | (47,861,000)         |
| Resultant total number of issued shares, if the treasury shares are cancelled | 604,800,000          |

However, if all the TCMH Shares purchased are retained as treasury shares, the share repurchase would not have any effect on the total number of issued shares of TCMH, although substantially all rights attached to the shares held as treasury shares would be suspended.

**(b) NA**

The effect of the Proposed Share Buy-Back on the NA per share of the TCMH Group is dependent on the purchase price of the TCMH Shares as follows:

- (i) If all the purchased TCMH Shares are cancelled and the purchase price of the TCMH Shares exceeds the NA per share of the TCMH Group, the NA per share of the TCMH Group will decrease.
- (ii) Conversely, if all the purchased TCMH Shares are cancelled and the purchase price of the TCMH Shares is below the NA per share of the TCMH Group, the NA per share of the TCMH Group will increase.
- (iii) If the purchased shares are treated as treasury shares and subsequently resold/transferred on the Bursa Malaysia, the NA per share of the TCMH Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the TCMH Group will decrease by the cost of the treasury shares.

Based on the audited financial statements for financial year ended 31 December 2017, the NA per share of the TCMH Group is RM4.28.

**(c) Working Capital**

The Proposed Share Buy-Back is likely to reduce the working capital of the TCMH Group, the quantum of which depends on, amongst others, the number of shares purchased and the purchase price of the shares. The cash flow of the TCMH Group will be reduced relatively to the number of shares eventually purchased and the purchase prices of the shares.

However, if the purchased shares are treated as treasury shares and subsequently resold/transferred on the Bursa Malaysia, the working capital and cash flow of the TCMH Group will increase should the Company realise a gain from the resale/transfer. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold/transferred.

**(d) Earnings**

The effect of the Proposed Share Buy-Back on the EPS of TCMH is dependent on the number of TCMH Shares purchased and the purchase price(s) of the TCMH Shares, wherein the amount spent would no longer be available to generate interest savings and/or for alternative investment income to the Company. The effective reduction in the number of TCMH Shares applied in the computation of the consolidated EPS arising from the Proposed Share Buy-Back will generally, all else being equal, have a positive impact on the TCMH Group's EPS.

In the event that the shares purchased are treated as treasury shares and subsequently resold/transferred, the extent of the effect on the EPS of TCMH will depend on the number and price(s) of treasury shares resold/transferred, and the effect gain or interest saving arising therefrom.

**(e) Dividends**

The Company paid an interim single tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2017 on 29 September 2017.

The Board proposes that a final single tier dividend of 1.0 sen per share be paid in respect of the financial year ended 31 December 2017. The proposed dividend is subject to the shareholders' approval at the forthcoming AGM.

The Proposed Share Buy-Back is not expected to have a material impact on the rate of dividend to be declared and/or paid by TCMH for the financial year ending 31 December 2018, if any.

**(f) Substantial Shareholders' and Directors' Shareholdings**

The effects of the share repurchase on the shareholdings of substantial shareholders and Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at 30 March 2018 are as follows:

|                                    | <-----No. of TCMH Shares held-----> |        |             |                      |                                   |        |             |                      |
|------------------------------------|-------------------------------------|--------|-------------|----------------------|-----------------------------------|--------|-------------|----------------------|
|                                    | Before the Proposed Share Buy-Back  |        |             |                      | After the Proposed Share Buy-Back |        |             |                      |
|                                    | Direct                              | %      | Indirect    | %                    | Direct                            | %      | Indirect    | %                    |
| <b>Substantial Shareholders</b>    |                                     |        |             |                      |                                   |        |             |                      |
| TCC                                | 263,828,240                         | 40.42% | -           | -                    | 263,828,240                       | 43.62% | -           | -                    |
| EPF                                | 39,352,800                          | 6.03%  | -           | -                    | 39,352,800                        | 6.51%  | -           | -                    |
| Nissan Motor Co., Ltd              | 37,333,324                          | 5.72%  | -           | -                    | 37,333,324                        | 6.17%  | -           | -                    |
| Dato' Tan Heng Chew                | 27,244,962                          | 4.17%  | 274,781,840 | 42.10 <sup>(1)</sup> | 27,244,962                        | 4.51%  | 274,781,840 | 45.43 <sup>(1)</sup> |
| Tan Eng Soon                       | -                                   | -      | 263,828,240 | 40.42 <sup>(2)</sup> | -                                 | -      | 263,828,240 | 43.62 <sup>(2)</sup> |
| <b>Directors</b>                   |                                     |        |             |                      |                                   |        |             |                      |
| Dato' Tan Heng Chew                | 27,244,962                          | 4.17%  | 288,472,030 | 44.20 <sup>(2)</sup> | 27,244,962                        | 4.51%  | 288,472,030 | 47.70 <sup>(2)</sup> |
| Dato' Ng Mann Cheong               | -                                   | -      | 150,000     | 0.02 <sup>(4)</sup>  | -                                 | -      | 150,000     | 0.03 <sup>(4)</sup>  |
| Siew Kah Toong                     | -                                   | -      | -           | -                    | -                                 | -      | -           | -                    |
| Dato' Khor Swee Wah @ Koh Bee Leng | 11,860,190                          | 1.82%  | 303,856,802 | 46.56 <sup>(6)</sup> | 11,860,190                        | 1.96%  | 303,856,802 | 50.24 <sup>(6)</sup> |
| Ho Wai Ming                        | -                                   | -      | 10,000      | _(4)(5)              | -                                 | -      | 10,000      | _(4)(5)              |
| Lee Min On                         | -                                   | -      | -           | -                    | -                                 | -      | -           | -                    |

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and Wealthmark Holdings Sdn Bhd ("WH") pursuant to Section 8(4) of the Act.
- (2) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (3) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (4) Interest of spouse by virtue of Section 59(11)(c) of the Act.
- (5) Less than 0.01%.
- (6) Interests of spouse and children by virtue of Section 59(11)(c) of the Act.

**(g) Implication Relating to the Code**

The Proposed Share Buy-Back, if carried out in full will result in the equity interest of TCC in TCMH to increase from 40.42% as at 30 March 2018 to 43.62% after the share repurchase.

If the Proposed Share Buy-Back results in the equity interest of TCC and persons acting in concert with it in TCMH to increase by more than 2% in any six (6) months period, pursuant to the Code, TCC and persons acting in concert with it may be obliged to undertake a mandatory offer for all the TCMH Shares not held by them collectively. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission Malaysia under the Code, subject to the affected substantial shareholders and parties acting in concert complying with certain conditions.

## 2.7 PUBLIC SHAREHOLDING SPREAD

As at 30 March 2018, the public shareholding spread of the Company was 45.62%. Assuming the Proposed Share Buy-Back is to be implemented in full, the public shareholding spread of the Company based on the position as at 30 March 2018 is expected to be reduced to 41.32%.

## 2.8 SHARE PRICES

The monthly highest and lowest prices of TCMH Shares traded on Bursa Malaysia for the last 12 months from April 2017 to March 2018 were as follows:

|             | <b>High<br/>RM</b> | <b>Low<br/>RM</b> |
|-------------|--------------------|-------------------|
| <b>2017</b> |                    |                   |
| April       | 1.93               | 1.80              |
| May         | 1.95               | 1.82              |
| June        | 1.87               | 1.80              |
| July        | 1.84               | 1.70              |
| August      | 1.72               | 1.66              |
| September   | 1.79               | 1.66              |
| October     | 1.80               | 1.62              |
| November    | 1.63               | 1.49              |
| December    | 1.52               | 1.29              |
| <b>2018</b> |                    |                   |
| January     | 1.87               | 1.38              |
| February    | 1.78               | 1.51              |
| March       | 1.80               | 1.61              |

The last transacted price of TCMH Shares on 18 April 2018, being the latest practicable date prior to the printing of this Circular, was RM1.68.

*(Source: Bloomberg)*

## 2.9 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors, major shareholders and persons connected with the Directors and/or major shareholders of the Company has any interest, direct or indirect, in the Proposed Share Buy-Back or resale/transfer of treasury shares.

## 2.10 DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and its shareholders and therefore recommends that you vote in favour of the ordinary resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

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### **3. PART II : PROPOSED SHAREHOLDERS' MANDATE**

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TCMH is principally an investment holding company, while its subsidiaries are involved in the assembly and distribution of motor vehicles, provision of after-sales services, provision of financial services such as hire purchase financing, personal loans and insurance agency.

The Board wishes to seek approval of the shareholders of TCMH for the Proposed Shareholders' Mandate. It would enable the TCMH Group to enter into existing and new RRPT provided such transactions are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders. These include transactions such as those described in section 3.2.

#### **3.1 LISTING REQUIREMENTS**

In accordance with Paragraph 10.09 of the LR, a listed issuer may seek a Shareholders' Mandate subject to the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) The Shareholders' Mandate is subject to annual renewal and disclosure being 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 LR;
- (c) Issuance of a circular to shareholders by the listed issuer;
- (d) In a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of a person connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him/her abstain from voting on the resolution approving the transactions; and
- (e) The listed issuer immediately announces to Bursa Malaysia when the actual value of a RRPT entered into by the listed issuer and its subsidiaries exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Malaysia in its announcement.

The estimated transaction value as set out in Appendix I - IV is based on the actual transaction value for the period from 25 May 2017 to 31 March 2018 and the projected business volume for the current period. The actual value of transactions may vary from the estimated value in the light of changing economic and competitive environment. Nevertheless, disclosures will be made in accordance with the LR in the Annual Report of the Company for the financial year ending 31 December 2018 of the actual aggregate value of transactions made pursuant to the Proposed Shareholders' Mandate during the said financial year.

#### **3.2 CLASSES OF RELATED PARTIES**

##### **3.2.1 Related Parties arising from the Internal Re-organisation and De-merger Scheme of TCMH Group**

TCMH Group completed the internal re-organisation of its Foreign, Autoparts and Non-Motor Divisions in 1999, resulting in the complete de-merger and emergence of three (3) additional and separate listed groups of companies, i.e. WTCH Group, APM Group and TCIL Group, each with distinct areas of business activities and are accountable for their own performance and profitability. TCMH does not own any shares in WTCH, APM or TCIL.

The RRPT between TCMH Group and the abovementioned groups of companies are as set out in sections 3.2.1.1 to 3.2.1.3.

### 3.2.1.1 WTCH Group

WTCH Group is principally involved in the distribution and rental of industrial machinery and equipment, manufacturing and/or assembly and distribution of commercial and passenger vehicles, provision of used vehicles auction services, provision of travel and air ticketing services as well as rental of cars and coaches.

The Directors and Major Shareholders of TCMH Group who are interested in the RRPT with WTCH Group and the nature of their interests as at 30 March 2018 are as follows:

| Related Party                                     | TCMH                       |                      |       |             |                      | WTCH                       |                      |       |            |                      |
|---|----------------------------|----------------------|-------|-------------|----------------------|----------------------------|----------------------|-------|------------|----------------------|
|   | Directorship in TCMH Group | Shareholding in TCMH |       |             |                      | Directorship in WTCH Group | Shareholding in WTCH |       |            |                      |
|   |                            | Direct               | %     | Indirect    | %                    |                            | Direct               | %     | Indirect   | %                    |
| TCC   | -                          | 263,828,240          | 40.42 | -           | -                    | -                          | 23,446,509           | 36.02 | -          | -                    |
| Dato' Tan Heng Chew                               | Director                   | 27,244,962           | 4.17  | 288,472,030 | 44.20 <sup>(1)</sup> | Director                   | 4,304,033            | 6.61  | 30,639,928 | 47.07 <sup>(4)</sup> |
| Tan Eng Soon                                      | -                          | -                    | -     | 263,828,240 | 40.42 <sup>(2)</sup> | -                          | -                    | -     | 23,446,509 | 36.02 <sup>(2)</sup> |
| Dato' Khor Swee Wah @ Koh Bee Leng <sup>(5)</sup> | Director                   | 11,860,190           | 1.82  | 303,856,802 | 46.56 <sup>(3)</sup> | -                          | 2,795,419            | 4.29  | -          | -                    |

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(1)(c) of the Act.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (3) Interests of spouse and children by virtue of Section 59(1)(c) of the Act.
- (4) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(1)(c) of the Act.
- (5) Dato' Khor Swee Wah @ Koh Bee Leng is spouse of Dato' Tan Heng Chew.

The RRPT between TCMH Group and WTCH Group, which are carried out at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to WTCH Group than those generally available to the public and are not to the detriment of the minority shareholders, are set out in Appendix I.

### 3.2.1.2 APM Group

APM Group is engaged in the manufacturing and distribution of a wide-range of automotive products and components ranging from suspension systems, heat exchange systems, electrical systems, plastic components to car interiors and seating. APM Group also involves in casting, machining and assembly of aluminium parts, supplying In-Vehicle Infotainment ("IVT") systems, developing Internet of Things ("IoT") telematics platform, provision of vehicle tracking services and provision of engineering, design and development services.

The Directors and Major Shareholders of TCMH Group who are interested in the RRPT with APM Group and the nature of their interests as at 30 March 2018 are as follows:

| Related Party          | TCMH                       |                      |       |                       |                      | APM                       |                     |       |                      |                      |
|------------------------|----------------------------|----------------------|-------|-----------------------|----------------------|---------------------------|---------------------|-------|----------------------|----------------------|
|                        | Directorship in TCMH Group | Shareholding in TCMH |       |                       |                      | Directorship in APM Group | Shareholding in APM |       |                      |                      |
|                        |                            | Direct               | %     | Indirect              | %                    |                           | Direct              | %     | Indirect             | %                    |
| TCC                    | -                          | 263,828,240          | 40.42 | -                     | -                    | -                         | 73,382,326          | 37.52 | -                    | -                    |
| Dato' Tan Heng Chew    | Director                   | 27,244,962           | 4.17  | 288,472,030           | 44.20 <sup>(1)</sup> | Director                  | 6,002,299           | 3.07  | 92,157,784           | 47.12 <sup>(5)</sup> |
| Tan Eng Soon           | -                          | -                    | -     | 263,828,240           | 40.42 <sup>(2)</sup> | -                         | -                   | -     | 73,382,326           | 37.52 <sup>(2)</sup> |
| Dato' Tan Eng Hwa      | Director <sup>(6)</sup>    | 1,380,058            | 0.21  | 47,524 <sup>(3)</sup> | - <sup>(8)</sup>     | Director                  | 207,008             | 0.11  | 7,128 <sup>(3)</sup> | - <sup>(8)</sup>     |
| Nicholas Tan Chye Seng | Director <sup>(6)</sup>    | 100,000              | 0.02  | -                     | -                    | Director                  | 185,600             | 0.09  | -                    | -                    |

| Related Party                                     | TCMH                       |                      |      |             |                      | APM                       |                     |      |          |   |
|---|----------------------------|----------------------|------|-------------|----------------------|---------------------------|---------------------|------|----------|---|
|   | Directorship in TCMH Group | Shareholding in TCMH |      |             |                      | Directorship in APM Group | Shareholding in APM |      |          |   |
|   |                            | Direct               | %    | Indirect    | %                    |                           | Direct              | %    | Indirect | % |
| Dato' Khor Swee Wah @ Koh Bee Leng <sup>(7)</sup> | Director                   | 11,860,190           | 1.82 | 303,856,802 | 46.56 <sup>(4)</sup> | -                         | 3,329,258           | 1.70 | -        | - |

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (3) Deemed interest by virtue of interest in Solomon House Sdn Bhd ("SH") pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (4) Interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (5) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse and son by virtue of Section 59(11)(c) of the Act.
- (6) Director of the subsidiaries of TCMH to which the relevant RRPT relate.
- (7) Dato' Khor Swee Wah @ Koh Bee Leng is spouse of Dato' Tan Heng Chew.
- (8) Less than 0.01%.

The RRPT between TCMH Group and APM Group, which are carried out at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to APM Group than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders, are set out in Appendix II.

### 3.2.1.3 TCIL Group

TCIL's principal activity is investment holding. The businesses of its principal subsidiaries include (a) distribution and aftersales of motor vehicles in Singapore, Hong Kong, Thailand, Taiwan, Philippines, Malaysia, Indonesia, Vietnam, Cambodia, and sales and aftersales of motor vehicles in Southern part of the China; (b) distribution of industrial equipment in Singapore, Vietnam and Thailand; (c) property development and rental in Singapore and Hong Kong; (d) vehicle seat manufacturing in China; and (e) provision of vehicle transportation service and human resources management service in relation to transportation business in Japan.

The Directors and Major Shareholders of TCMH Group who are interested in the RRPT with TCIL Group and the nature of their interests as at 30 March 2018 are as follows:

| Related Party                                     | TCMH                           |                      |       |             |                      | TCIL                           |                      |                  |               |                      |
|---|--------------------------------|----------------------|-------|-------------|----------------------|--------------------------------|----------------------|------------------|---------------|----------------------|
|   | Directorship in the TCMH Group | Shareholding in TCMH |       |             |                      | Directorship in the TCIL Group | Shareholding in TCIL |                  |               |                      |
|   |                                | Direct               | %     | Indirect    | %                    |                                | Direct               | %                | Indirect      | %                    |
| TCC   | -                              | 263,828,240          | 40.42 | -           | -                    | -                              | 705,819,720          | 35.06            | -             | -                    |
| Dato' Tan Heng Chew                               | Director                       | 27,244,962           | 4.17  | 288,472,030 | 44.20 <sup>(1)</sup> | -                              | 28,990,986           | 1.44             | 743,995,890   | 36.95 <sup>(4)</sup> |
| Tan Eng Soon                                      | -                              | -                    | -     | 263,828,240 | 40.42 <sup>(2)</sup> | Director                       | 100,460,000          | 4.99             | 1,156,364,392 | 57.44 <sup>(5)</sup> |
| Dato' Khor Swee Wah @ Koh Bee Leng <sup>(7)</sup> | Director                       | 11,860,190           | 1.82  | 303,856,802 | 46.56 <sup>(3)</sup> | -                              | 58,170               | - <sup>(6)</sup> | -             | -                    |

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (3) Interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (4) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (5) Deemed interest by virtue of interests in TCC and corporations controlled by him pursuant to Section 8(4) of the Act, including deemed interest pursuant to Section 8(7) of the Act.
- (6) Less than 0.01%.
- (7) Dato' Khor Swee Wah @ Koh Bee Leng is spouse of Dato' Tan Heng Chew.

The RRPT between TCMH Group and TCIL Group, which are carried out at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to TCIL Group than those generally available to the public and are not to the detriment of the minority shareholders, are set out in Appendix III.

### 3.2.2 Auto Dunia

Auto Dunia is involved in the importation and sale of motor vehicles. Auto Dunia is an appointed authorised dealer of a subsidiary of TCMH for new Nissan motor vehicles in several locations in Malaysia. TCMH Group purchases completely-built-up (CBU) vehicles from Auto Dunia. TCMH Group may enter into other arrangements with Auto Dunia in relation to the importation of CBU vehicles and/or to purchase from Auto Dunia locally assembled vehicles for sale by the TCMH Group from time to time.

The Directors and Major Shareholders of the TCMH Group who are interested in the RRPT with Auto Dunia and the nature of their interests as at 30 March 2018 are as follows:

- (i) Dato' Tan Heng Chew, a Director and Major Shareholder of TCMH and Tan Eng Soon, a Major Shareholder of TCMH have declared Auto Dunia to be a body corporate associated with them under Section 197 of the Act. Dato' Tan Eng Hwa, a Director of certain subsidiaries of TCMH and brother of Dato' Tan Heng Chew and Tan Eng Soon, is a Director of Auto Dunia. Datuk Yaacob bin Wan Ibrahim, a Director of a subsidiary of TCMH, is a substantial shareholder and Director of Auto Dunia.
- (ii) Dato' Khor Swee Wah @ Koh Bee Leng, a Director of TCMH, is spouse of Dato' Tan Heng Chew.
- (iii) Directorship in TCMH Group and shareholding in TCMH of the related parties:

| Related Party                                     | TCMH                           |                      |      |             |                      |
|---|--------------------------------|----------------------|------|-------------|----------------------|
|   | Directorship in the TCMH Group | Shareholding in TCMH |      |             |                      |
|   |                                | Direct               | %    | Indirect    | %                    |
| Dato' Tan Heng Chew                               | Director                       | 27,244,962           | 4.17 | 288,472,030 | 44.20 <sup>(1)</sup> |
| Dato' Tan Eng Hwa                                 | Director                       | 1,380,058            | 0.21 | 47,524      | -. <sup>(2)</sup>    |
| Datuk Yaacob bin Wan Ibrahim <sup>(3)</sup>       | Director                       | -                    | -    | -           | -                    |
| Tan Eng Soon                                      | -                              | -                    | -    | 263,828,240 | 42.42 <sup>(4)</sup> |
| Dato' Khor Swee Wah @ Koh Bee Leng <sup>(6)</sup> | Director                       | 11,860,190           | 1.82 | 303,856,802 | 46.56 <sup>(3)</sup> |

**Notes:**

- (1) Deemed interest by virtue of interests in TCC and WH pursuant to Section 8(4) of the Act and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (2) Deemed interest by virtue of interest in SH pursuant to Section 8(4) of the Act and interest of spouse by virtue of Section 59(11)(c) of the Act.
- (3) Datuk Yaacob bin Wan Ibrahim holds 10% equity interest in Auto Dunia.
- (4) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.
- (5) Interests of spouse and children by virtue of Section 59(11)(c) of the Act.
- (6) Dato' Khor Swee Wah @ Koh Bee Leng is spouse of Dato' Tan Heng Chew.

The RRPT between TCMH Group and Auto Dunia, which are carried out at Arm's Length, on normal commercial terms of the TCMH Group which are not more favourable to Auto Dunia than those generally available to the public and are not to the detriment of the minority shareholders, are set out in Appendix IV.

### 3.3 OUTSTANDING RRPT RECEIVABLES

The breakdown of the total outstanding receivables in respect of the RRPT which exceeded the credit term as at 31 December 2017 are as follows:-

| Exceeded Credit Term               | Amount of Outstanding RRPT Receivables (RM'000) |
|------------------------------------|---|
| a period of 1 year or less         | 17,287  |
| a period of more than 1 to 3 years | 20,053  |
| a period of more than 3 to 5 years | 3,424   |
| a period of more than 5 years      | -   |
| Total                              | 40,764  |

The above total outstanding RRPT receivables of RM40,764,000 as at 31 December 2017 were subsequently reduced to RM33,122,000 as at 31 March 2018 following a collection of RM7,642,000 during the period.

Notwithstanding the right to impose late payment interest for certain transactions, there is no late payment interest imposed on the overdue trade receivables as a matter of goodwill gesture in view of the active on-going transactions between the parties.

The Management has and will continue to meet and discuss with the Related Parties to actively pursue for early settlement of the outstanding amounts.

The Board of Directors is of the opinion that the outstanding amounts were trade in nature and there was no recoverability issue based on the following:

- (i) The Related Parties have long standing business relationship with the Group.
- (ii) The outstanding RRPT receivables aged more than 1 to 5 years have been recovered progressively.
- (iii) The outstanding amount for a period of more than 1 to 5 years of RM23,477,000 as at 31 December 2017 was subsequently reduced to RM21,985,000 as at 31 March 2018 following a collection of RM1,492,000 during the period.

### **3.4 METHODS FOR DETERMINATION OF TRANSACTION PRICE AND THRESHOLD OF AUTHORITY**

The terms of the pricing of the above RRPT are consistent with TCMH Group's usual business pricing practices and policies and are not more favorable to the Related Parties than those to the public (where applicable) and are not to the detriment of the minority shareholders of TCMH.

In respect of price determination, the following methods were adopted:

- (i) At least 3 quotations from unrelated third parties for similar products/services are required for comparison whenever possible.
- (ii) For the purchase of automotive components with certain engineering specifications required which are not commonly available among vendors in general, pricing is set through a series of negotiations with the related party vendors on terms which are fair and reasonable and not detrimental to the Company.
- (iii) Rental charges and payables are determined according to the market valuation from independent professional valuers.
- (iv) Trading terms are given based on the Group's standard credit policy and for sale of motor vehicles, standard discounts are given depending on the volume of purchase which is consistent to that given to other dealers.
- (v) Repair and services provided by the workshops to the related parties are invoiced using the standard rates captured in the system which also apply to external customers.
- (vi) Purchase of air tickets is according to the airlines market selling price.
- (vii) Hire purchase financing and leasing interest rates charged to the related parties are similar to those applicable to other customers.
- (viii) Royalties charged for the usage of BISON trademark were arrived at through mutual agreement after a series of negotiations between the parties, taking into consideration TCMH Group, the owner of the BISON brand, will gain a stronger brand presence in the longer term arising from the cooperation with WTCH Group.

There are no separate thresholds for approval of RRPTs within the Group. All RRPT are subject to the same authority limit thresholds established by the respective business units for its other business transactions where transactions of different nature and value are subject to approval by the appropriate level of authority, namely the Board of TCMH, the President, Group Chief Executive Officer/Senior Executive Vice President, Executive Vice President, Chief Financial Officer, head of division or department of the relevant business units. Where any Director has an interest (direct or indirect) in a RRPT, such Director shall abstain from approving such transaction.

Group RRPT reporting procedures have been established and circulated to all the business units as standard guidelines to ensure that all RRPT are undertaken in fair and reasonable terms which are not detrimental to the interest of the Company.



### **3.5 DISCLOSURE AND REVIEW PROCEDURES**

Disclosure will be made in accordance with the LR in the Annual Report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year ending 31 December 2018.

#### **3.5.1 Review Procedures for the RRPT**

TCMH Group has implemented the following methods and procedures to ensure that the RRPT are undertaken at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to the Related Party than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders:

- (a) A list of Related Parties has been circulated to all operating companies with the instruction that all RRPT are required to be undertaken at Arm's Length and on normal commercial terms (where applicable).
- (b) All companies are required to provide monthly reports on all RRPT to the group finance department.
- (c) The internal audit department shall review significant RRPT to ensure that transactions are undertaken at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to the Related Party than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders of TCMH.
- (d) The Audit Committee shall review the internal audit reports on RRPT issued by the internal audit department to ascertain that the guidelines and procedures established to monitor the RRPT have been complied with. The internal audit department shall highlight any exceptions arising from work done.
- (e) The Board and the Audit Committee shall be responsible for the determination of review procedures, with the authority to sub-delegate such responsibilities to individuals or committees within TCMH Group, as they deem appropriate.
- (f) If a member of the Board or Audit Committee has an interest in the RRPT, he shall abstain from participating in the deliberating and voting in respect of the said RRPT.

#### **3.5.2 Audit Committee's Statement**

The Audit Committee has seen and reviewed the procedures mentioned above and is of the view that the said procedures are sufficient to ensure that the RRPT are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders.

The Audit Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis.

### **3.6 RATIONALE**

All transactions with Related Parties are entered into for the long-term benefit of TCMH Group. The Related Parties represent an existing market with reliable payment terms for TCMH Group's products and services and provide a good source for certain components purchased by TCMH Group. Sales to Related Parties also contribute to overall higher sales for TCMH Group thus increasing trading volume, higher production efficiency and better bargaining power when negotiating with vendors. This is consistent with TCMH Group's objectives of brand building and maintaining our competitive edge.

The RRPT envisaged under the Proposed Shareholders' Mandate are in the ordinary course of business of TCMH Group and are undertaken at Arm's Length, on normal commercial terms of TCMH Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders.

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing time and the expenses in convening such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to TCMH Group.

### **3.7 EFFECTS**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital of TCMH and substantial shareholders' shareholdings in TCMH but is expected to have a positive effect on the earnings and NA of TCMH Group as a result of the increase in business volume and revenue.

### **3.8 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed in section 3.2, none of the other Directors, Major Shareholders and persons connected with such Directors and/or Major Shareholders of TCMH, has any interest as defined in the LR, direct or indirect, in the Proposed Shareholders' Mandate.

The Directors of TCMH who are interested in the Proposed Shareholders' Mandate (namely Dato' Tan Heng Chew and Dato' Khor Swee Wah @ Koh Bee Leng) have abstained and will continue to abstain from deliberating and voting on the resolutions in respect of the Proposed Shareholders' Mandate which involves their interests at the relevant meetings of the Board.

The interested Directors of TCMH Group (namely Dato' Tan Heng Chew, Dato' Khor Swee Wah @ Koh Bee Leng, Dato' Tan Eng Hwa and Datuk Yaacob bin Wan Ibrahim) will abstain from voting, and have undertaken that they will ensure that persons connected with them abstain from voting, in respect of their direct and/or indirect shareholdings in the Company (if any) on the relevant resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The interested Major Shareholders of TCMH (namely TCC, Dato' Tan Heng Chew and Tan Eng Soon) will abstain from voting, and have undertaken that they will ensure that persons connected with them abstain from voting, in respect of their direct and/or indirect shareholdings in the Company on the relevant resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

### **3.9 DIRECTORS' RECOMMENDATION**

The Board (except for the interested Directors as disclosed in section 3.8) is of the opinion that the Proposed Shareholders' Mandate are fair, reasonable and in the best interest of the Company and therefore recommends that you vote in favour of the ordinary resolutions in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

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## **4. PART III : PROPOSED ALTERATION AND AMENDMENT**

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### **4.1 DETAILS OF THE PROPOSED ALTERATION AND AMENDMENT**

The Board proposes that the existing Constitution be altered and amended by the deletion of the existing memorandum of association in its entirety and by the adoption of the new Constitution of the Company as set out in Appendix V of this Circular.

### **4.2 RATIONALE OF THE PROPOSED ALTERATION AND AMENDMENT**

The rationale for the Proposed Alteration and Amendment is principally to render the provisions of the Company's Constitution consistent with the Act and the Listing Requirements which have been amended following the coming into force of the Act. As the Act no longer requires the constitution of a company to be separated into the memorandum of association and the articles of association, under the Proposed Alteration and Amendment, the existing memorandum of association will be deleted in its entirety. Provisions previously found in the memorandum of association of the Company with modifications are proposed to be incorporated in the new Constitution.

To the extent permitted or not prohibited by the Act and the Listing Requirements, the provisions of the existing articles of association have been retained with or without modifications to clarify the rights, powers, duties and obligations of the Directors and the members of the Company.

### **4.3 EFFECTS OF THE PROPOSED ALTERATION AND AMENDMENT**

The Proposed Alteration and Amendment will not have any effect on the net assets per share, earnings per share, gearing and substantial shareholders' and Directors' shareholdings of TCMH.

### **4.4 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

None of the Directors, substantial shareholders and persons connected with the Directors and/or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Alteration and Amendment.

### **4.5 DIRECTORS' RECOMMENDATION**

The Board having considered all aspects of the Proposed Alteration and Amendment is of the opinion that the Proposed Alteration and Amendment is in the best interest of the Company and therefore recommends that you vote in favour of the special resolution pertaining to the Proposed Alteration and Amendment to be tabled at the forthcoming AGM.

## **5. APPROVALS REQUIRED**

The Proposals are conditional upon the approval of the shareholders of TCMH at the forthcoming AGM. However, the Proposals are not inter-conditional.

## **6. AGM**

The AGM, the notice of which is set out in the 2017 Annual Report, will be held at The Grand Ballroom, Level 9, Sunway Putra Hotel, 100 Jalan Putra, 50350 Kuala Lumpur, Malaysia on Thursday, 24 May 2018 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the proposed resolutions on the ordinary businesses and the special businesses of the AGM which include the proposed resolutions on the Proposals.

If you are unable to attend the AGM in person, please complete, sign and return the enclosed Form of Proxy attached to the 2017 Annual Report, to the Office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +603-2783 9299), or alternatively its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, as soon as possible and in any event not less than 48 hours before the time fixed for the AGM. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently find that you are able to do so.

## **7. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix VI for further information.

Yours faithfully  
for and on behalf of the Board  
**TAN CHONG MOTOR HOLDINGS BERHAD**

**Dato' Ng Mann Cheong**  
Senior Independent Non-Executive Director

## Details of RRPT between TCMH Group and WTCH Group

| Types of transaction  | Details  | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|---|--|--|--|--|
| <b>Income</b>   |  |  |  |  |
| Sale of goods and services                                    | TCMH Group sells motor vehicles, parts, premium gifts, stationeries, customised goods and provides after sales services to WTCH Group.   | 200,000  | 72,975   | 358,000  |
| Insurance agency services (Agency Fee Only)                   | TCMH Group sells insurance products such as motor, property and marine policies as an agent to WTCH Group.   | 1,800  | 678  | 1,000  |
| Administrative, corporate and other services                  | TCMH Group provides administrative, corporate and other services (including education services, employment agency services, information technology services and etc) to WTCH Group.  | 5,500  | 2,986  | 4,500  |
| Contract assembly service (commercial and passenger vehicles) | TCMH Group provides assembly services (commercial and passenger vehicles) to WTCH Group.   | 10,000   | 4,886  | 17,000   |
| Rental income   | TCMH Group rents office and car park premises at the following locations to WTCH Group:<br>(i) Jalan Ipoh Kecil, Kuala Lumpur.<br>(ii) Taman Sri Batu Caves, Batu Caves, Selangor.<br>(iii) No. 196, Block G, Jalan Sultan Azlan Shah, Sungai Tiram, 11900 Bayan Lepas, Penang.<br>(iv) Part of Lot 92 & Lot 93, Section 46, Bandar & Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.<br>(v) No. 2, Jalan Johor Jaya, Taman Perindustrian Plentong, 81750 Johor Bahru.<br>(vi) No. 117, 119 & 119A, Jalan SS 15/5A, Subang Jaya, 47500 Petaling Jaya, Selangor.<br>(vii) No. 23 Pengkalan Weld, 10300 Pulau Pinang.<br>(viii) Lot 9586, Mukim 12, District of Barat Daya, Pulau Pinang. (Note 1)<br>(ix) No. 4, 3rd Floor, Jalan Bandar 3, Pusat Bandar Puchong, 47100 Puchong, Selangor.<br>(x) 10B-8-2, 8th Floor, Putra Court, Jalan Ipoh Kecil, 50350 Kuala Lumpur.<br>(xi) No. 27, Jalan Tun Abdul Razak Susur 2, 80100 Johor Bahru.<br>(xii) Lot 104-108 & Lot 407-408, Jalan Kampung Gajah, 12000 Butterworth, Pulau Pinang.<br>(xiii) No. 1197, Jalan Permatang Batu, 14000 Bukit Mertajam, Pulau Pinang.<br>(xiv) Mile 7 1/2 Jalan Labuk, 90000 Sandakan, Sabah. (Note 1)<br>(xv) No. 249, Jalan Segambut, 51200 Kuala Lumpur.<br>(xvi) Lot 22 No 7 Jalan 1A, KKIP Selatan, Industrial Zone 1 (IZ1), Kota Kinabalu Industrial Park Sepangar, 88450 Kota Kinabalu. (Note 2)<br>Rental income for the above is received on a monthly basis. The tenure for the rental of the said premises is for a period of not more than three (3) years. | 1,500  | 1,185  | 2,000  |
| Royalty income  | Royalties charged by TCMH Group to WTCH Group for usage of "BISON" trademark on goods manufactured by WTCH Group.  | 45   | 0  | 45   |
| Hire purchase financing and leasing                           | TCMH Group provides hire purchase financing, leasing and financing services to WTCH Group.   | 150,000  | 3,836  | 120,400  |

## Notes:

- (1) The Company is not seeking renewal of Shareholders' Mandate for this RRPT because the tenancy for these premises have been discontinued.  
(2) New RRPT to be included in the Proposed Shareholders' Mandate.

**APPENDIX I**

**Details of RRPT between TCMH Group and WTCH Group (continued)**

| Types of transaction                                    | Details   | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|---|---|--|--|--|
| <b>Expenses</b>   |   |  |  |  |
| Travel agency, car rental services and leasing services | TCMH Group uses the air ticketing, car rental services and leasing services provided by WTCH Group.   | 30,000   | 5,796  | 6,500  |
| Purchase of goods and services                          | TCMH Group purchases forklifts, machinery, generators, spare parts and receives after sales services from WTCH Group.<br>TCMH Group purchases trucks from WTCH Group for sale.<br>TCMH Group purchases consumer products from WTCH Group for sale.<br>TCMH Group purchases used vehicles from WTCH Group for sale. (Note 1)<br>TCMH Group receives auction arrangement services, sales and marketing services, information technology services and etc from WTCH Group. (Note 1)                                | 2,500<br>8,000<br>7,000<br>840<br>7,160                                | 1,238<br>6,122<br>310<br>419<br>1,907  | 4,500<br>25,000<br>500<br>80,000<br>16,500   |
| Rental expenses   | TCMH Group rents premises at the following locations from WTCH Group:<br>(i) Lot 1A, Jalan Kemajuan, Seksyen 13, 46200 Petaling Jaya.<br>(ii) Lot 104-108 & Lot 407-408, Jalan Kampung Gajah, 12000 Butterworth, Pulau Pinang. (Note 2)<br>(iii) Lot 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor. (Note 2)<br><br>Rental payment for the above is paid on a monthly basis. The tenure for the rental of the said premises is for a period of not more than three (3) years. | 700  | 516  | 900  |
| Franchise fee   | Franchise fee charged by WTCH Group for selling vehicles franchised by WTCH Group.  | 50   | 0  | 50   |
| <b>Total</b>  |   | <b>425,095</b>   | <b>102,854</b>   | <b>636,895</b>   |

Notes:

(1) These RRPTs with estimated value of RM8.0 million were merged in the previous Shareholders' Mandate.

(2) New RRPT to be included in the Proposed Shareholders' Mandate.

## Details of RRPT between TCMH Group and APM Group

## (A) Renewal of Mandate

| Types of transaction                         | Details  | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|--|--|--|--|--|
| <b>Income</b>                                |  |  |  |  |
| Sale of goods and services                   | TCMH Group sells motor vehicles, parts, premium gifts, stationeries, customised goods and provides after sales services to APM Group.  | 30,000   | 8,471  | 20,000   |
| Insurance agency services (Agency Fee Only)  | TCMH Group sells insurance products such as motor, property and marine policies as an agent to APM Group.  | 800  | 447  | 700  |
| Administrative, corporate and other services | TCMH Group provides administrative, corporate and other services (including training, information technology services and etc) to APM Group.   | 1,000  | 176  | 1,000  |
| Rental income                                | TCMH Group rents office and car park premises at the following locations to APM Group:<br>(i) Jalan Kemajuan, Pending Industrial Estate, Kuching, Sarawak.<br>(ii) Ground Floor, No. 53 & 55 Jalan Dendang 1 off Jalan Batu 3, Berkeley Town Centre, 41300 Klang.<br>(iii) No. 249, Jalan Segambut, 51200 Kuala Lumpur.<br>(iv) Mile 5 1/4 Jalan Tuaran, 88300 Kota Kinabalu, P O Box A-5, 89367 Inanam, Sabah. (Note 1) | 300  | 96   | 500  |
|  | Rental income for the above is received on a monthly basis. The tenure for the rental of the said premises is for a period of not more than three (3) years.   |  |  |  |
| <b>Expenses</b>                              |  |  |  |  |
| Purchase of goods                            | TCMH Group purchases automotive components from APM Group for the assembly of new cars and also as replacement parts for distribution to dealers and motor repair workshops.   | 160,000  | 56,530   | 143,400  |
| Rental expenses                              | TCMH Group rents from APM Group vacant land, office and factory premises at Lot 1 and Lot 3, Jalan 6/3, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor.   | 1,800  | 1,214  | 1,700  |
|  | Rental payment for the above is paid on a monthly basis. The tenure for the rental of the said premises is for a period of not more than three (3) years.  |  |  |  |
| <b>Total</b>                                 |  | <b>193,900</b>   | <b>66,934</b>  | <b>167,300</b>   |

Note:

(1) New RRPT to be included in the Proposed Shareholders' Mandate.

## (B) New Mandate

| Types of transaction       | Details  | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|----------------------------|--|--|--|--|
| <b>Income</b>              |  |  |  |  |
| Contract assembly services | TCMH Group provides vehicle assembly, related localisation services and technical services to APM Group. | 0  | 0  | 1,500  |
| <b>Total</b>               |  | <b>0</b>   | <b>0</b>   | <b>1,500</b>   |

APPENDIX III

Details of RRPT between TCMH Group and TCIL Group

| Types of transaction       | Details   | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|----------------------------|---|--|--|--|
| <b>Income</b>              |   |  |  |  |
| Sale of goods              | TCMH Group sells spare parts, premium gifts, stationeries and customised goods to TCIL Group.             | 8,000  | 2,394  | 4,000  |
| Contract assembly services | TCMH Group provides vehicle assembly, related localisation services and technical services to TCIL Group. | 39,000   | 12,503   | 41,000   |
| Employment Agency Services | TCMH Group provides employment agency services to TCIL Group.   | 30   | 0  | 30   |
| <b>Expenses</b>            |   |  |  |  |
| Purchase of goods          | TCMH Group purchases automotive components from TCIL Group.   | 100  | 19   | 100  |
| <b>Total</b>               |   | <b>47,130</b>  | <b>14,916</b>  | <b>45,130</b>  |



**APPENDIX IV**

**Details of RRPT between TCMH Group and Auto Dunia**

| Types of transaction       | Details   | Estimated value as disclosed in the preceding year's circular (RM'000) | Actual value transacted from 25 May 2017 to 31 March 2018 (latest practicable date) (RM'000) | Estimated value from the forthcoming AGM to the next AGM (to obtain mandate approval) (RM'000) |
|----------------------------|---|--|--|--|
| <b>Income</b>              |   |  |  |  |
| Sale of goods and services | TCMH Group sells motor vehicles, spare parts, premium gifts, stationeries, customised goods and provides after sales services to Auto Dunia.  | 40,000   | 13,226   | 25,700   |
| Rental income              | TCMH Group rents the following premises to Auto Dunia:<br>(i) Showroom cum office building premises at Lot 3, Jalan Perusahaan 1, Batu Caves Industrial Park, 68100 Selangor.<br>(ii) Storage space at 142, Jalan SBC3, Taman Sri Batu Caves, Selangor.<br>(iii) Part of PDI building at No. 327, Jalan Segambut, 51200 Kuala Lumpur.<br><br>Rental income for the above is received on a monthly basis. The tenure for the rental of the said premises is for a period of not more than three (3) years. | 300  | 247  | 300  |
| Insurance agency services  | TCMH Group sells insurance products such as motor, property and marine policies as an agent to Auto Dunia.  | 30   | 0  | 30   |
| <b>Expenses</b>            |   |  |  |  |
| Purchase of vehicles       | TCMH Group purchases CBU vehicles from Auto Dunia. TCMH Group may enter into other arrangements with Auto Dunia in relation to the importation of CBU vehicles and/or for the purchase of locally assembled vehicles for sale by TCMH Group from time to time.  | 800,000  | 529,742  | 550,000  |
| <b>Total</b>               |   | <b>840,330</b>   | <b>543,215</b>   | <b>576,030</b>   |

**COMPANIES ACT, 2016**

**MALAYSIA**

**PUBLIC COMPANY LIMITED BY SHARES**

**CONSTITUTION**

**OF**

**TAN CHONG MOTOR HOLDINGS BERHAD  
(Company No. 12969-P)**

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**Incorporated on the 14th day of October, 1972**

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**COMPANIES ACT, 2016**

**MALAYSIA**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**TAN CHONG MOTOR HOLDINGS BERHAD**

**(Adopted by Special Resolution passed on the      day of May, 2018)**

---

**PRELIMINARY**

1. Name

The name of the Company is **TAN CHONG MOTOR HOLDINGS BERHAD**.

2. Registered office

The Registered Office of the Company will be situated in Malaysia.

3. Company has unlimited capacity

The Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or activity and the Company shall have the full rights, powers and privileges for the purposes aforementioned.

4. Definitions and interpretation

4.1. In this Constitution if not inconsistent with the subject or context:-

- 4.1.1. "Act" means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.
- 4.1.2. "Alternate Director" means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of this Constitution.
- 4.1.3. "Article" means an Article of this Constitution as originally framed or as from time to time altered by special resolution.
- 4.1.4. "Auditor" means a person who has been approved as an auditor under the Act and whose approval has not been revoked.
- 4.1.5. "Authorised Nominee" shall have the meaning ascribed thereto in the Central Depositories Act.
- 4.1.6. "beneficial owner" has the meaning ascribed thereto in the Central Depositories Act.
- 4.1.7. "Board" means the directors of the Company who number not less than the required quorum acting as a board of directors.
- 4.1.8. "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.
- 4.1.9. "Company" means TAN CHONG MOTOR HOLDINGS BERHAD (Company No. 12969-P).
- 4.1.10. "Constitution" means this Constitution as originally framed or as from time to time altered by special resolution.
- 4.1.11. "Depositor" means a holder of securities account established by the Depository.
- 4.1.12. "Depository" means Bursa Malaysia Depository Sdn. Bhd. or such other name by which it may be known from time to time.
- 4.1.13. "Deposited Security" means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.
- 4.1.14. "Directors" means a person who has been appointed and for the time being holds office as a director of the Company in accordance with the

provisions of the Act and this Constitution and, unless the context otherwise provides or requires, includes an Alternate Director.

- 4.1.15. "Exempt Authorised Nominee" means an Authorised Nominee which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
- 4.1.16. "financial statements" shall have the meaning ascribed to it in Section 2 of the Act.
- 4.1.17. "Listing Requirements" means the Listing Requirements of the Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.
- 4.1.18. "market day" means a day on which the stock market of the Stock Exchange is open for trading in securities.
- 4.1.19. "member" or "shareholder" or "holder of shares" or any like expression means a person who is registered as the holder of shares in the share capital of the Company including a Depositor who may be an Authorised Nominee whose name appears in the Record of Depositors and who has a credit balance of shares in the Company in his securities account (except the Depository or its nominee company).
- 4.1.20. "the office" means the Registered Office for the time being of the Company.
- 4.1.21. "ordinary resolution" shall have the meaning ascribed to it in Section 291 of the Act.
- 4.1.22. "Record of Depositors" means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
- 4.1.23. "the register" means the register of members to be kept pursuant to the Act.
- 4.1.24. "Rules" means the rules of the Depository as defined under the Central Depositories Act for the time being in force.
- 4.1.25. "the seal" means the common seal of the Company, any official seal of the Company for use in a place specified on the face of such seal outside Malaysia or the official seal to seal the securities issued by the Company or documents creating or evidencing securities so issued which shall have the word "securities" specified on the face of such seal, as the case may be, as referred to in the Act.

- 4.1.26. "Secretary" means any person or persons appointed to perform the duties of a secretary of the Company and shall include an assistant or deputy secretary.
- 4.1.27. "securities" shall have the meaning given in Section 2 of the Capital Markets and Services Act 2007.
- 4.1.28. "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.
- 4.1.29. "special resolution" shall have the meaning ascribed to it in Section 292 of the Act.
- 4.1.30. "Statutes" means the Act, the Central Depositories Act and every other Act for the time being in force concerning companies and affecting the Company.
- 4.1.31. "Stock Exchange" means Bursa Malaysia Securities Berhad and/or where the context permits, any other stock exchange on which the shares of the Company are listed.
- 4.2. Expressions referring to "writing" or "written" shall, unless the contrary intention appears, be construed as including references to type-writing, printing, lithography, photography, electronic storage or transmission and other modes of representing or reproducing words in a visible form and/or method of recording information or fixing information in a form capable of being preserved.
- 4.3. Headings and notes are included only for convenience and shall not affect meaning.
- 4.4. Words importing 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.
- 4.5. Save as aforesaid, any words or expressions contained in this Constitution shall where the context so admits be interpreted in accordance with the provisions of the Interpretation Acts 1948 and 1967, the Act, the Central Depositories Act, the Rules and the Listing Requirements.

## 5. Limited liability

The Company is a company limited by shares and the liability of the members of the Company is limited to the amount, if any, unpaid on shares held by the members.

## SHARE CAPITAL

### 6. Share capital

- 6.1. The shares issued by the Company shall constitute the share capital of the Company. 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.
- 6.2. The Company shall have power to increase or reduce the capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to issue all or part of the original or any additional capital as fully paid, or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with the provisions of this Constitution.

### 7. Types of shares

#### 7.1. Shares in the Company may –

- 7.1.1. be issued in different classes with the voting shares attached to share in each class as stated in this Constitution;
- 7.1.2. be preference shares which are redeemable in accordance with this Constitution;
- 7.1.3. confer preferential rights to distributions of capital or income;
- 7.1.4. confer special, limited or conditional voting rights; or
- 7.1.5. not confer voting rights.

- 7.2. The rights attaching to shares of a class other than ordinary shares shall be expressed.

### 8. Rights and powers attached to shares

- 8.1. A share in a Company, other than preference shares or shares which are non-voting shares, confers on the holder –
- 8.1.1. the right to attend, participate and speak at a meeting;
- 8.1.2. the right to vote on a show of hands on any resolution of the Company;



- 8.1.3. the right to one vote for each share on a poll on any resolution of the Company;
- 8.1.4. the right to an equal share in the distribution of the surplus assets of the Company; or
- 8.1.5. the right to an equal share in dividends authorised by the Board.
- 8.2. Notwithstanding Article 8.1.5, the right to dividends may be negated, altered or added to by this Constitution or in accordance with the terms on which the share is issued.

9. Preference shares

- 9.1. Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed in accordance with this Constitution and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.
- 9.2. The redemption of the preference shares shall not be taken as reducing the amount of share capital of the Company.
- 9.3. The preference shares shall be redeemable only if the preference shares are fully paid-up and the redemption shall be out of –
  - 9.3.1. profits;
  - 9.3.2. a fresh issue of shares; or
  - 9.3.3. capital of the Company.
- 9.4. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred into the share capital accounts of the Company, a sum equal to the amount of the shares redeemed.
- 9.5. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements, and attending general meetings of the Company.
- 9.6. Preference shareholders shall also have the right to vote in each of the following circumstances:

- 9.6.1. when the dividend or part of the dividend on the preference shares is in arrears for more than six months; or
- 9.6.2. on a proposal to reduce the capital; or
- 9.6.3. on a proposal for the disposal of the whole of the Company's property, business and undertaking; or
- 9.6.4. on a proposal that affects rights and privileges attached to the share; or
- 9.6.5. on a proposal to wind up the Company; or
- 9.6.6. during the winding up of the Company.

#### **VARIATION OF CLASS RIGHTS**

10. Class rights may be varied

If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be dealt with, varied, modified or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of this Constitution relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be three persons at least holding or representing by proxy one-third of the issued shares of the class excluding any shares of that class held as treasury shares.

#### **RESTRICTIONS ON DEALINGS IN SHARES IN THE COMPANY**

11. Restriction of use of Company funds

None of the funds of the Company shall be applied in the purchase of or lent on the security of shares of the Company; nor shall the Company 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 made or to be made by any person of any shares in the Company, but nothing in this Article shall prohibit transactions permitted under Section 125 of the Act or the purchase by the Company of its own shares pursuant to Article 12 and Section 127 of the Act.

## 12. Purchase of own shares

- 12.1. Subject to 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 Stock Exchange in respect of securities admitted to listing, and any rules or guidelines ("Rules and 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.
- 12.2. Neither the Company nor the Directors 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.
- 12.3. Where the Company has purchased its own shares, the Directors may resolve to cancel the shares purchased or retain the shares purchased in treasury as "treasury shares" or to retain in part the shares purchased as treasury shares and cancel the remaining part of the shares purchased in accordance with the Act, the Listing Requirements and any applicable Rules and Guidelines.
- 12.4. The Directors may distribute, resell, transfer, cancel or otherwise deal in the treasury shares in accordance with the Act, the Listing Requirements and any applicable Rules and Guidelines.

## 13. Commission and interest on capital

- 13.1. The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 13.2. Subject always to Section 130 of the Act where any shares of the Company 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 or returns on the amount of such share capital as is for the time being paid-up and charge the interest or returns paid to share capital as part of the cost of the construction or provision.

14. Trust not to be recognized

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

### **ISSUE AND ALLOTMENT OF SHARES AND GRANT OF RIGHTS**

15. Issue of shares and grant of rights

15.1. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution, the Act, the Listing Requirements and to the provisions of any resolution of the Company, shares or convertible securities in the Company may pursuant to the direction to the contrary given by the Company in general meeting under Article 51 be issued by the Directors, who may allot, or otherwise dispose of such shares or convertible securities to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine; but the Directors in making any issue of shares or convertible securities shall comply with the following conditions:-

15.1.1. the pricing, issuance and/or placement of shares or convertible securities shall be in compliance with and not in contravention of the provisions of the Listing Requirements;

15.1.2. in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in the terms of issue of such shares including such of those shares arising from convertible securities;

15.1.3. no issue of shares including any issue arising from convertible securities shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation

without the prior approval of the members of the Company in general meeting; and

15.1.4. subject to Article 19 and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, no shares or convertible securities with rights of conversion to equity may be issued if the total number of those shares or convertible securities, when aggregated with the total number of the shares or convertible securities which the Company has issued during the preceding 12 months, exceeds 10 per cent of the total number of issued shares (excluding treasury shares) of the Company except where the shares or the convertible securities are issued with the prior approval of the Company in general meeting of the precise terms and conditions of the issue.

15.2. Subject to the obtaining of the prior approval by way of ordinary resolution by the Company, the Act, this Constitution and the Listing Requirements, the Directors may exercise any power –

15.2.1. to allot shares in the Company;

15.2.2. to grant rights to subscribe for shares in the Company;

15.2.3. to convert any security into shares in the Company; or

15.2.4. to allot shares under an agreement or option or offer.

16. Issue of securities

The Company must ensure that all new issues of securities for which listing is sought on the Stock Exchange are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this 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 the Listing Requirements.

17. Allotment and despatch of notices of allotment

Subject to the Act and Article 18, the Company must allot securities for which listing is sought on the Stock Exchange and despatch notices of allotment to the allottees, within such period prescribed by the Stock Exchange.

18. 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 such securities until after it has filed with the Stock Exchange an application for listing of such new issue of securities and been notified by the Stock Exchange that such new issue of securities has been approved or approved in principle for listing, as the case may be.

19. Restriction on issue of shares to Directors etc.

19.1. Except in the case of an issue of securities on a pro rata basis to members, pursuant to a scheme which enables shareholders to reinvest cash dividend into new shares or otherwise as permitted under the Listing Requirements and subject to Article 19.2, no Director, major shareholder or chief executive of the Company or person connected with any Director, major shareholder or chief executive of the Company shall participate directly or indirectly in an issue of equity securities or other securities with rights to conversion to equity of the Company unless the members in general meeting have approved of the specific allotment to be made to such Director, major shareholder, chief executive of the Company or person connected with such Director, major shareholder or chief executive of the Company. In a meeting to obtain the approval of the members as aforesaid, whether the allotment is in favour of a Director, a major shareholder, or chief executive of the Company or a person connected with a Director, major shareholder or chief executive of the Company, such Director, major shareholder or chief executive of the Company as well as such person who is so connected shall abstain from exercising any voting rights on the matter. The notice of meeting shall state:

19.1.1. the number of securities to be allotted;

19.1.2. the purpose of the allotment;

19.1.3. the precise terms and conditions of the allotment; and

19.1.4. the identity and relationship of the persons connected with the Director, major shareholder or a chief executive of the Company, where applicable.

19.2. No Director shall participate in a scheme involving a new issuance of shares to employees of the Company unless the members in general meeting have approved of such scheme.

19.3. In this Article "chief executive", "major shareholder" and "person connected" shall have the meaning ascribed thereto in the Listing Requirements of the Stock Exchange.

## WITHDRAWAL OF SECURITIES

### 20. Withdrawal of securities

A Depositor shall not withdraw the securities which have been deposited with the Depository except in such manner as may be specified in the Rules pursuant to Section 24 of the Central Depositories Act.

## CALLS ON SHARES

### 21. Directors may make calls

The Directors may from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed dates, provided that no call shall exceed one-fourth of the issued price of the shares or be payable at less than 30 days following the date fixed for the payment of the last preceding call and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

### 22. When call made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and such resolution may authorise the call to be paid by instalments.

### 23. Interest on calls in arrears

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the date of actual payment at such rate not exceeding 8 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

### 24. Terms of issue may be treated as call

Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue the share becomes payable, and in case of non-payment all the relevant provisions of this Constitution and the Act as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

25. Directors may differentiate between holders

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

26. Payment of 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 money uncalled and unpaid upon any shares held by the member, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 8 per cent per annum as may be agreed upon between the Directors and the member paying the sum in advance but no money so advanced shall, whilst carrying interest, confer any right to participate in profits.

**LIEN**

27. Company's lien on shares

The Company shall have a first and paramount lien in priority to any other claim (i) over all partly paid issued share registered in the name of a member for all unpaid calls and instalments due and unpaid in respect of such shares and (ii) over all moneys including dividends that the Company may be called upon by law to pay and has paid in respect of the shares of a member whether before or after the member's death for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or in part exempted from the provisions of this Article.

28. 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 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the holder of the share for the time being, or the person entitled thereto by reason of the death or bankruptcy of the holder of the share.

29. Power to transfer shares

To give effect to any such sale the Directors may authorise a person to transfer the shares sold to the purchaser thereof including where appropriate, by giving and signing such instructions and documents as required under the Central Depositories



Act or the Rules (in the name of the member whose shares are being or have been sold) to the Depository for the purposes of authorising and effecting the book-entry of the shares sold as Deposited Securities to the purchaser and/or doing all such acts deeds and things as may be necessary to give full effect to the sale. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and the Directors shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

30. Application of proceeds of sale

The proceeds of the sale shall be received by the Company and applied in payment of (i) such part of the amount in respect of which the lien exists as is presently payable, and (ii) accrued interest and expenses, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

## FORFEITURE OF SHARES

31. Notice for call unpaid

If a member fails to pay any call or instalment of a call on the date stipulated for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

32. Form of notice

The notice shall name a further date on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the specified date the shares in respect of which the call was made will be liable to be forfeited.

33. Forfeiture for non-payment

If the requirements of any such notice as aforesaid are not complied with by the date specified therein, any share in respect of which the notice has been given shall be forfeited by a resolution of the Directors to that effect unless the payments as required by such notice has been made before the resolution. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

34. Forfeited share

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

35. Liability on forfeiture

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

36. Statutory declaration as conclusive evidence

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

37. Title of purchaser of forfeited shares

The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of (including where appropriate, by giving and signing such instructions and documents as required under the Central Depositories Act or the Rules (in the name of the member whose shares are being or have been sold) to the Depository for the purposes of authorising and effecting the book-entry of the shares sold as Deposited Securities to the purchaser and/or doing all such acts deeds and things as may be necessary to give full effect to the sale) and he shall thereupon be registered as the holder of the share, and he shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators, or assigns or as he directs.

38. Application of forfeiture provisions

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

## TRANSFER OF SHARES

39. Exception of transfer

Subject to the Statutes, the Rules and this Constitution, any member may transfer all or any of his shares by a duly executed and stamped instrument of transfer in writing in any usual or common form approved by the Stock Exchange or in any other form which the Directors may approve and any member may transfer Deposited Security in accordance with the Central Depositories Act and the Rules. The instrument shall be executed by or on behalf of the transferor provided that, subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed by or on behalf of the Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act. Subject to the Statutes and the Rules, the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.

40. Transfer of Deposited Security by book entry

The transfer of any Deposited Security shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to subsection 148(2) of the Act, and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.

41. Obligation to keep register not affected

Nothing in this Constitution shall be construed as affecting the obligation of the Company to keep a register of its members under Sections 50 and 52 of the Act and a register of option holders under Section 129 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.

42. Terms of registration

Subject to compliance with the Central Depositories Act and the Rules the duly executed and stamped instrument of transfer must be left for registration at the office together with such fee as the Directors from time to time may require or such other sum the Stock Exchange may permit accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as a shareholder and retain the instrument of transfer.

43. Refusal to register transfer

Subject to the provisions of the Statutes and the Rules, the Directors may decline to register the transfer of a share (not being a fully paid share) to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the Company has a lien or any transfer of shares, whether fully paid-up or not, made to an infant or person of unsound mind or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.

44. Notice of refusal or delay in registration of transfer

Subject to the Statutes and the Rules, if the Directors decline to register an instrument of transfer they shall within 7 days after they shall have passed a resolution to refuse or delay the registration of the transfer within 30 days from the date of receipt of the instrument of transfer by the Company send to the transferor and to the transferee, notice of the refusal or delay setting out in full the reasons therefor.

45. Closing of register

45.1. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole 30 days in any year provided that notice of such closure in compliance with the requisite notice period as may be prescribed by the Stock Exchange shall be given to the Stock Exchange stating the period and the purpose or purposes of such closure.

45.2. Subject to Article 59.2 below, the Company may pursuant to Section 34 of the Central Depositories Act and the Rules request for the Record of Depositors and in this connection, may request for the Record of Depositors as at a specified date.

- 45.3. 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.

### TRANSMISSION OF SHARES

46. Death of holder

In case of the death of a member, the persons recognized by the Company as having any title to his interest in the shares shall be:-

- 46.1. where the deceased was a sole holder, the legal personal representatives of the deceased; and
- 46.2. where the deceased was a joint holder, the survivor

but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons and provided always that where the share is a Deposited Security, subject to the Rules, a transfer of the share may be carried out by the person becoming so entitled.

47. Rights on death or bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and the Depository and subject as hereinafter provided and subject to compliance with this Constitution, the Statutes and the Rules, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

48. Registration of transmission

- 48.1. Subject to the Act, the Central Depositories Act and the Rules, if the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company and the Depository a notice in writing signed by him stating that he so elects.
- 48.2. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share or such other instrument as the Depository may require in favour of that person.

48.3. All the limitations, restrictions and provisions of this Constitution, the Act, the Central Depositories Act and the Rules relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer or such other instrument as the Depository may require as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer or such other instrument as the Depository may require were a transfer signed by that member.

49. Dividends and voting powers

Subject to this Constitution, the Statutes and the Rules, the registration of transmission of shares shall entitle the registered holder to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise).

### INCREASE OF CAPITAL

50. Increase of share capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be divided into shares 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.

51. When shares offered to existing members

Subject to any direction to the contrary that may be given by the Company in general meeting, any 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 convertible 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 convertible securities offered, the Directors may dispose of those shares or convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or convertible securities which (by reason of the ratio which the new shares or convertible securities bear to shares or convertible securities held by

persons entitled to an offer of new shares or convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

52. New capital to be considered as part of the present share capital

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the share capital of the Company after such creation, and such new shares shall rank pari passu with shares issued prior to such creation.

### **ALTERATION OF CAPITAL**

53. Consolidation, sub-division and cancellation

The Company may by special resolution:-

53.1. consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

53.2. convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or

53.3. subdivide its shares or any of them, whatever is in the sub-division, the proportion between the amount paid and the amount (if any) unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

54. Reduction of capital

The Company may by special resolution reduce its share capital, in any manner authorised by the Act and with, and subject to, any incident authorised, and consent required by law.

### **CONVERSION OF SHARES INTO STOCK**

55. Conversion of shares into stock

55.1. The Company by special resolution may convert any paid-up shares into stock, and may reconvert any stock into paid-up shares of any number.

55.2. When any shares have been converted into stock, the holders of such stock may, transfer their respective interest therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which paid-up shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and may restrict or forbid the transfer of fractions of that minimum, but with power, nevertheless, at their discretion to waive such rules in any particular case.

55.3. The provisions of this Constitution as are applicable to paid-up shares shall apply to "stock" and the word "share" and "member", "shareholder" or "holder of shares" shall include "stock" and "stockholder" or "holder of stock".

56. Participation in dividends and profits

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages, as regards participation in profits and voting at meetings of the Company, and for other matters as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company, and in the assets of the Company on a winding up, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages. Save as aforesaid, all the provisions herein contained shall, as far as circumstances will admit, apply to stock as well as to shares.

## GENERAL MEETINGS

57. Annual general meeting and extraordinary general meeting

An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meeting shall be called extraordinary general meeting. A general meeting convened by the Company may be held in accordance with the provisions of the Act using any technology or method that enables the members to participate and to exercise the members' rights to speak and vote on such day and at such venue or venues as shall be fixed by the Directors.

58. Convening of extraordinary general meeting on requisition

The Directors may whenever they so decide by resolution convene an extraordinary general meeting of the Company. In addition, an extraordinary general meeting shall be convened on such requisition as is referred to in Sections 310 and 311 of the Act



or, if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 311, a meeting may be convened by the requisitionists themselves in the manner provided in Section 313 of the Act.

59. Notice of meetings

- 59.1. Subject to the provisions of the Act relating to agreements for shorter notice, the notice convening a meeting shall be given at least 14 days before the meeting or at least 21 days before the meeting convened to pass a special resolution or where it is an annual general meeting, specifying the place, the day and the hour of meeting and in case of special business, the general nature of that business shall be given to such persons as are entitled to receive such notices from the Company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Stock Exchange.
- 59.2. The Company shall request the Depository, in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings or adjourned general meetings shall be given by the Company.
- 59.3. The Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days (or such other period specified by the Act, the Central Depositories Act, the Rules and/or the Depository) before the date of the general meeting or adjourned general meeting.
- 59.4. Subject to Article 45.3, the Record of Depositors requested under this Article when made available to the Company shall be treated as the final record of all Depositors who shall be deemed to be entitled to receive notice of general meeting or adjourned general meeting.
- 59.5. Subject to Article 45.3 and 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 unless his name appears in the Record of Depositors requested for the purposes of such general meeting or adjourned general meeting.

60. Business at annual general meeting and extraordinary general meeting

Subject always to the provisions of Section 317 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 the laying of audited financial statements, and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the appointment and fixing of the fee of Directors and the appointment of the Auditors.

61. Omission to give notice

The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any member shall not invalidate the proceedings at any meeting.

62. Quorum to consist of three

62.1. Three (3) members personally present or by proxy shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

62.2. For the purpose of constituting a quorum –

62.2.1. one or more representatives appointed by a corporation shall be counted as one member; or

62.2.2. one or more proxies appointed by a person shall be counted as one member.

63. Adjournment for want of quorum

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine.

64. Adjournment generally

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as

aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

65. Chairman of general meeting

The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a Chairman and in default of their so doing the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the chair, shall choose one of their number to be Chairman provided that no proxy may be elected to be the Chairman.

66. Voting on resolutions

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded, whether before the resolution is put to the vote of the meeting or before or on the declaration of the result of the show of hands:-

66.1. by the Chairman; or

66.2. by at least three (3) members present in person or by proxy; or

66.3. by any member or members present in person or by proxy and representing not less than 10 per cent of the total voting rights of all the members having the right to vote at the meeting; or

66.4. 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 10 per cent of the total paid-up shares conferring that right.

Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the record of proceedings of the meeting signed by the Chairman of the meeting or the Chairman of the next meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

67. Taking of poll

67.1. If a poll is duly demanded it shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll

was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

67.2. 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 the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the powers of adjourning meetings contained in Article 64, adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

68. Chairman's casting vote

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

69. Voting right of members

69.1. Subject to this Constitution, in particular Articles 9.6, 59.2, 59.3, 59.5, 69.2 and 69.3, a member shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid.

69.2. No person shall exercise any rights of a member until his name shall have been entered in the register or 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 PROVIDED THAT the Central Depository or its nominee company in whose name the Deposited Securities are registered shall not be entitled to any such rights.

69.3. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members each member entitled to vote may vote in person or by representative or by proxy or attorney and on a show of hands every member present in person or by representative or by proxy (provided only one (1) proxy has been appointed) or by attorney shall have one vote, and on a poll every member present in person or by representative or by proxy or by attorney shall have one vote for each share he holds. By way of clarification and for the avoidance of doubt, notwithstanding that the shares in the Company of a member are held in more than one securities account in the name of the member and/or Authorised Nominees, such member if present in person and/or by representative and/or by proxy and/or by attorney shall have one vote only on a show of hands provided that if more than one (1) proxy has been appointed by a member, all proxies appointed by such member shall not vote on a show of hands and shall only be entitled to vote on poll. In this Constitution, the shares held or represented by a member present in person or by

representative or by proxy or by attorney shall, in relation to shares of a Depositor, be the number of shares entered against the name of such Depositor in the latest Record of Depositors made available to the Company pursuant to Article 59.3.

70. Corporate members

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise a person or persons, as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company and the person or persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents or they represent as that corporation could exercise as if every one of the representative was an individual member of the Company.

71. Rights of persons entitled under transmission Articles

Any person entitled under a transmission Article, namely, Article 46 or Article 47, shall upon the registration of transmission of shares entitle the registered holder to the same dividends and other advantages and to the same rights in relation to meetings of the Company or to voting or otherwise.

72. Member of unsound mind

A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by proxy or attorney appointed by his committee or by such other person as properly has the management of his estate, provided that such evidence as the Directors may require of such committee or person claiming the right to appoint the proxy shall be deposited together with the instrument appointing the proxy as required under Article 76.

73. Time for objection

No objection shall be raised 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 made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

74. Form and appointment of proxy

The instrument appointing a proxy shall be in writing in such form as the Directors may from time to time prescribe under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

75. Poll demanded by proxy

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

76. Proxy need not be a member

76.1. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of the Company.

76.2. A member may appoint more than one (1) proxy but not more than two (2) proxies in relation to a meeting of the Company provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

76.3. Subject to Articles 76.5 and 76.6, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors requested by the Company pursuant to Article 59.3 for the purposes of the meeting for which the Authorised Nominee is appointing proxies.

76.4. Subject to Articles 76.5 and 76.6, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors requested by the Company pursuant to Article 59.3 for the purposes of the meeting for which the Exempt Authorised Nominee is appointing proxies, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

76.5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee pursuant to this Article shall be by a separate instrument of proxy which shall specify:

76.5.1. the securities account number;

76.5.2. the name of beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and

76.5.3. where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

76.6. Subject to Article 76.5, any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) proxy but not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of ordinary shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

77. 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 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 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.

78. Votes of proxy

78.1. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share (including any transfer pursuant to the Rules) in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind or revocation, or transfer as aforesaid has been received by the Company at the office or recorded in the Record of Depositors made available to the Company before the commencement of the meeting or adjourned meeting at which the instrument is used.

78.2. The Company shall be entitled and bound 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 the latest Record of Depositors made available to the Company.

78.3. The Company shall be entitled and bound to accept as the maximum number of votes which in aggregate the proxy appointed by the member is able to cast on a poll, the aggregate number of shares which is entered (i) against the name of that member in the register and/or the latest Record of Depositors made available to the Company (ii) or in the case of a member

who is a Depositor and an Authorised Nominee, against the securities account number and name of the beneficial owner for whom the Authorised Nominee is acting where that number is smaller than the aggregate number specified in the instrument or instruments of proxy executed by or on behalf of that member. If a member other than an Authorised Nominee has appointed two (2) proxies and one of the proxies on a poll cast votes in favour of a resolution while the other proxy, appointed by the same member, on a poll cast votes against a resolution and the aggregate number of votes specified in the instrument or instruments of proxy is greater than the aggregate number of votes entered against the name of that member in the register and/or the Record of Depositors made available to the Company, then the total number of votes deemed to be cast shall be the votes entered against the name of the member in the register and/or the Records of Depositors and such total shall be pro rated for the purposes of determining the number of votes cast in favour of and against the resolution, in the same proportion as the number of votes cast in favour of and against the resolution, as specified in the instrument or instruments of proxy.

## DIRECTORS

79. Directors to be natural person

A Director of the Company shall be a natural person of at least eighteen (18) years of age.

80. Eligibility to become a Director

Unless with the leave of the Official Receiver or the court obtained pursuant to the Act, no person shall hold office as a Director nor whether directly or indirectly be concerned with or take part in the management of the Company if the person:-

80.1. is an undischarged bankrupt; or

80.2. has been convicted within or without Malaysia of any offence in connection with the promotion, formation or management of a corporation; or

80.3. has been convicted within or without Malaysia of any offence involving fraud, bribery, or dishonesty; or

80.4. has been convicted within or without Malaysia of any offence under the provisions of Sections 213, 217, 218, 228 and 539 of the Act; or

80.5. has been disqualified by the court under Section 199 of the Act.



81. Number of Directors

The Company may from time to time in general meeting increase or reduce the number of Directors. Until otherwise determined by general meeting the number of Directors including the Managing Director(s) and Executive Director(s) shall not be less than three nor more than ten but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the remaining Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancy or vacancies to such minimum number or of summoning a general meeting of the Company but for no other purpose.

82. Appointment by Board

The Directors shall have power at any time and from time to time to appoint any other qualified person as Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or pursuant to Article 81 and any Director so appointed shall hold office only until the next annual general meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

83. Remuneration of Director

The Directors shall be paid for their services as follows:-

83.1. Directors who hold no executive office in the Company shall be paid fees by a fixed sum and not by a commission on or percentage of profits or turnover.

83.2. Fees and benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting. Such fees may be divided among the Directors in such proportions and manner as the Directors shall determine.

83.3. Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration paid to the latter.

83.4. Salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover but may include a commission on or percentage of profits.

84. As to the duty and liability of Directors

A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information

acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

85. General duty to make disclosure

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

86. Right to hold other office under the Company

86.1. Subject to compliance with the Act and the Listing Requirements:-

86.1.1. 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; and

86.1.2. no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise and any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, shall not be liable to be avoided, and any Director so contracting or being so interested shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established,

but the nature and extent of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested; provided that a Director shall not as a Director vote nor participate in any discussion in respect of any contract, proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted, although he may be counted to make the quorum present at such meeting to consider a motion concerning any such contract or arrangement.

86.2. A general notice in writing, which complies with Section 221(4) and (5) of the Act, given to the Directors by any Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.

87. Director not to participate or vote in contracts where he has an interest but shall be counted to make quorum

No Director shall participate in any discussion nor vote in respect of any contract or arrangement or proposed contract or arrangement in which he is directly or indirectly interested (unless the interest is one that need not be disclosed under Section 221 of the Act), and if he should do so his vote shall not be counted although notwithstanding his interest, he shall be counted only to make the quorum at the meeting of the Board.

88. Director also officer of associated company

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

89. 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.

90. Expenses

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board meetings of the Company.

91. Register of Directors' shareholdings

The Directors shall cause the Company to keep a register showing with respect to each Director of the Company the particulars and changes thereto of any shares in or debentures or participatory interests of the Company or a related corporation of the Company within the meaning of the Act including rights, options or contracts relating thereto as required by the Act in which he has, directly or indirectly, an interest but the register need not include particulars of shares in a wholly-owned subsidiary of the Company which is deemed to be a related corporation under the Act.

**ALTERNATE DIRECTOR**92. Alternate Director

- 92.1. Each Director shall have power from time to time to nominate any person, not being a Director or acting as an alternate of another Director, who has been approved for the purpose by a majority of the other Directors to act as his Alternate Director and at his discretion to remove his Alternate Director.
- 92.2. An Alternate Director shall (except as regards power to appoint an alternate Director and remuneration which shall be subject to Article 83.3) be subject in all respects to the terms and conditions existing with reference to the other Directors, and shall be entitled to receive notices of all meetings of the Directors and to attend speak and vote at any such meeting at which his appointor is not present.
- 92.3. Subject to Article 92.1 any appointment or removal of an Alternate Director shall be effected in writing under the hand of the Director making the same and sent to the Company by hand, post, facsimile or electronic mail or in any other manner approved by the Directors. Any facsimile or electronic mail sent shall be confirmed as soon as possible by the physical delivery to the Company of a letter signed by such Director, but may be acted upon by the Company meanwhile.
- 92.4. If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of the Company at which he is re-elected), the person appointed by him shall thereupon cease to be an Alternate Director and therefore cease to have any power or authority to act as such.
- 92.5. A Director shall not be liable for the acts and defaults of any Alternate Director appointed by him.

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

### **MANAGING AND EXECUTIVE DIRECTORS**

#### **93. Appointment**

- 93.1. The Directors may from time to time appoint any one or more of their body to the office of or to perform the functions of a Managing Director by whatever name called or to the function of an Executive Director by whatever name called for such period not exceeding three (3) years and upon such terms as they think fit, and may vest in each Managing Director or Executive Director, as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit, but provided always that such Managing Director or Executive Director shall be subject to the control of the Board.
- 93.2. Any appointment of a Managing Director or Executive Director shall provide that notwithstanding the term of his appointment, his appointment shall terminate:-
- 93.2.1. as of the date and the conclusion of the annual general meeting at which he retires by rotation if he shall not be re-elected; or
- 93.2.2. as of the date he ceases from any cause to be a Director; or
- 93.2.3. as of the date the Board resolves that his appointment as Managing Director or Executive Director shall be terminated and such termination shall not be regarded as breach of the terms of the appointment or dismissal of the Managing Director or the Executive Director, as the case may be, or
- 93.2.4. subject to the terms of any contract between him and the Company, and unless the Board shall otherwise determine, the employment of a Managing Director or an Executive Director as an employee of the Company shall not be determined by reason only of his ceasing to be a Director because of his retirement by rotation or his being not re-elected as a Director.

94. Remuneration of Managing Director and Executive Director

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

95. Retirement and removal of Managing Director and Executive Director

A Managing Director or an Executive Director shall be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, and he shall be subject to the same provisions as to removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause shall ipso facto and immediately cease to be a Managing Director or an Executive Director, as the case may be.

### **DISQUALIFICATION OF DIRECTORS**

96. Office of Directors how vacated

The office of a Director shall become vacant if the Director:-

- 96.1. being not the last three (3) remaining Directors, resigns his office by notice in writing to the Company;
- 96.2. has retired in accordance with the Act or the Constitution of the Company but is not re-elected;
- 96.3. is removed from office in accordance with the Act or the Constitution of the Company;
- 96.4. is or becomes disqualified from being a Director under the Listing Requirements or falls under the circumstances set out in Section 208 of the Act including becoming a disqualified Director by virtue of any of the provisions of Sections 198 and 199 of the Act;
- 96.5. during his term of office 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;
- 96.6. dies;
- 96.7. is absent from more than 50 per cent of the total meetings of the Directors held during any financial year of the Company or such shorter period during

which the Director was appointed to his office except when an exemption or waiver has been obtained from the Stock Exchange; or

- 96.8. is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in the Listing Requirements by which he shall be disqualified to be appointed or to act as a Director.

## **POWERS AND DUTIES OF DIRECTORS**

### **97. Powers and duties**

The business and affairs of the Company shall be managed by or under the direction of the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not, by the Act, the Listing Requirements or by this Constitution, required to be exercised by the Company in general meeting, provided that if for any reason whatsoever the Board is unable to exercise any of its powers hereunder, in particular for the reason that all the Directors are to be regarded as interested in a particular matter, such powers may be exercised by the Company in general meeting.

### **98. Directors' powers to borrow and provide financial assistance**

Subject to the Act, the Listing Requirements and the provisions of this Constitution, the Directors may exercise all powers of the Company to borrow or otherwise raise money, to lend or advance any money, to guarantee the payment, performance or discharge of any debt, liability or obligation of any third party, to indemnify or provide collateral for a debt and to mortgage, charge or hypothecate all or any of the property or business of the Company including any uncalled or called but unpaid capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **99. Issue of debenture**

99.1. Subject to the Act, the Listing Requirements and the provisions of this Constitution, the Directors may issue debentures or paid-up shares to any person or persons as consideration for the purchase of any goodwill, business or property purchased by the Company.

99.2. Any bonds, notes, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

## **BUSINESS**

### 100. Directors may carry on business

Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they may think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Directors may deem it expedient not to commence or proceed with the same.

### 101. Cheques, bills etc.

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

### 102. Use of seal abroad

The Directors may exercise all the powers of the Company in relation to any official seal for use outside Malaysia and in relation to branch registers.

## **RETIREMENT, ROTATION AND REMOVAL OF DIRECTORS**

### 103. Rotation and retirement of Directors

At every annual general meeting one-third of the Directors (including a Managing Director or an Executive Director) or if their number is not a multiple of three then the number nearest to one-third shall retire from office and be eligible for re-election provided that all Directors including the Managing Director or an Executive Director shall retire from office once at least in each three years, but shall be eligible for re-election.

### 104. Which Directors to retire

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

### 105. Eligibility for election

Only the following persons shall be eligible for election to the office of Director at any general meeting namely:-



- 105.1. a Director retiring at the meeting;
- 105.2. a person who is not disqualified under the Act or the Listing Requirements and the circumstances set out in Article 96 are not applicable to him;
- 105.3. a person recommended by the Directors and in respect of whom, not less than 9 clear days before the day appointed for the meeting, there shall have been left at the office a consent to act as a Director duly signed by such person together with a declaration that he is not disqualified from being appointed or holding office as a director of the Company under the Act and the Listing Requirements; or
- 105.4. a person in respect of whom not less than 11 clear days before the date appointed for the meeting there shall have been left at the office a notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election together with a notice in writing signed by that person giving his consent to the nomination and declaring he is not disqualified from being appointed or holding office as a director of the Company under the Act and the Listing Requirements and signifying his candidature for the office.

106. No appointment of Directors by single resolution

At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

107. Seven days' notice required

Not less than 7 days' notice shall be given to every member of the name of each person who is eligible for election as a Director at a general meeting.

108. Removal of Director

Subject to Section 206(4) of the Act, the Company may by ordinary resolution of which special notice is given remove any Director before the expiration of his period of office, and may, if thought fit, by ordinary resolution of which special notice is given appoint another Director in his stead. The person so appointed shall hold office so long as the Director in whose place he is appointed would have held the same if he had not been removed.

## PROCEEDINGS OF DIRECTORS

### 109. Third Schedule to the Act excluded

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

### 110. Chairman

110.1. The Directors may elect one of their numbers as Chairman of the Board and determine the period for which he is to hold office.

110.2. If no Chairman is elected, or if at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their numbers to be Chairman of the meeting.

### 111. Notice and methods of holding meetings

111.1. A Director or, if requested by a Director to do so, a Secretary, may convene a meeting of the Board at any time by giving notice in accordance with the Article below.

111.2. A notice of a meeting of the Board shall be sent to every Director either in hard copy including by facsimile, or in electronic form, and the notice shall include the date, time and place of the meeting and the matters to be discussed.

111.3. An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting either attend the meeting without objection to the irregularity or expressly confirm to the Company that he has no objection to the irregularity.

111.4. A meeting of the Board may be held either:-

111.4.1. by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

111.4.2. by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

## 112. Quorum

- 112.1. The quorum necessary for the transaction of the business of the Directors (including any adjourned meeting) may be fixed by the Board and unless so fixed shall be three (3) Directors (or their alternates).
- 112.2. The remaining Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum, or to summon a general meeting of members of the Company.
- 112.3. If a quorum is not present within half an hour from the time appointed for the holding of a meeting of the Board when it is first convened, the meeting may be adjourned to the same day in the week next following at the same time and place. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the adjourned meeting, the Director(s) present shall not proceed with the meeting.

## 113. Voting

- 113.1. Every Director (or in his absence, his alternate present at the meeting) shall have one vote. Any questions arising at any meeting of the Board 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 Board. In the event of an equality of votes, the Chairman shall have a casting vote except where only two (2) Directors are competent to vote on a question at issue, then the Chairman shall not have a casting vote.
- 113.2. A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.
- 113.3. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he expressly abstains, dissents from or votes to object against the resolution at the meeting.

## 114. Resolution in writing

A resolution in writing by the majority of all Directors but not by their alternates shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may be executed in any number of counterparts, each signed by one or more Directors, all of which taken together and

when delivered to the Secretary, whether by hand, post, facsimile, electronic or other similar means of communication, shall constitute one and the same resolution.

115. Other proceedings

Except as provided herein, the Board may regulate its own proceedings.

116. Committees of the Board

116.1. The Board may delegate any of its power to Committees consisting of such member or members of its body as the Board thinks fit and any Committee so formed shall in the exercise of the powers so delegated conform to any terms or conditions that may be imposed on it by the Board.

116.2. A Committee may elect a chairman of its meetings and may determine its own proceedings.

117. Proceedings of Committee

Subject to any terms or conditions imposed by the Board:-

117.1. a Committee may meet and adjourn its meetings and determine its own proceedings as its members think proper.

117.2. questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote except where only two members of the Committee are competent to vote on the question at issue or are the quorum at the meeting.

117.3. the quorum at meetings of Committees of Directors shall be two unless some larger number has been fixed by the Director's resolution creating the Committee.

118. Validity of acts of Directors and Committee

All acts done bona fide at any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified to be a Director, be as valid as if every such person had been duly appointed and qualified to be a Director.

## **MINUTES**

### 119. Minutes

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

119.1. of all appointments of officers.

119.2. of all the names of the Directors present at each meeting of the Directors and of any Committee of Directors.

119.3. of all resolutions including resolutions in writing and proceedings of general meetings and of meetings of the Directors and Committees of Directors.

119.4. of all orders made by the Directors and any Committee of Directors.

### 120. Minute book in the office

The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the office or the principal place of business in Malaysia of the Company or any other place which a notice has been given to the Registrar of Companies, and shall be open to the inspection of any member without charge.

## **REGISTER OF DIRECTORS, MANAGERS AND SECRETARIES**

### 121. To keep a register of Directors, Managers and Secretaries

The Directors shall cause to be kept at the office a register of Directors, Managers and Secretaries of the Company as required under the Act.

## **SECRETARY**

### 122. Appointment

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

## SEAL

### 123. Affixing seal

The Directors shall provide for the safe custody of each seal at such place and with such person as they deem fit and each seal, shall only be used by the authority of the Directors or of a Committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal is affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose unless in the case of an official seal for use outside Malaysia, the Director or a Committee of the Directors authorised by the Directors in that behalf shall resolve that the official seal may be affixed by any person appointed for the purpose to affix the official seal to any deed or other document to which the Company is a party in which case the instrument to which such official seal is affixed shall be signed by the person so appointed.

## AUTHENTICATION OF DOCUMENTS

### 124. Appointed persons

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 resolutions passed by the Company or the Directors and any books, records, documents, financial statements, accounting and other records relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

### 125. Authenticated document to be conclusive evidence

A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 124 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.

## POWER OF ATTORNEY

### 126. Appointment of attorney

The Directors may from time to time by power of attorney appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or

exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.

## **DIVIDENDS**

### 127. Payment of dividends

The profits of the Company which it shall from time to time decide to distribute by way of dividend subject to any special conditions on which any shares shall have been issued, shall be divisible amongst the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

### 128. Amount of dividend

The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

### 129. No dividends except out of profits

Save as hereinbefore provided no dividend shall be payable except out of the profits of the Company and if the Company is solvent and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the profits of the Company shall be conclusive.

### 130. Interim dividends

The Directors may from time to time pay to the members on account of the next forthcoming dividend such interim dividends as in their judgement the position of the Company justifies.

### 131. Power to retain dividends on which Company has a lien

The Directors may retain any dividends 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.

132. Power to retain dividends in respect of transmission shares

The Directors may retain the dividends payable upon shares in respect of which any person is under a transmission Article, namely, Article 46 or Article 47, entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

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

Subject to the provisions of the Central Depositories Act and the Rules, a transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

134. Notice of declaration of dividend

Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of shares.

135. Dividend, interest or other money payable

Any dividend, interest or other money payable in cash in respect of shares must be paid by way of electronic transfer or other methods of remittance by directly crediting the payment into the bank account or other account of the members based on the account information provided by such member or provided in the Record of Depositors or any other record provided by the Depository containing such information. If for any reason such payment fails to be directly credited as aforesaid, then such payment may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled as it appears in the register and/or the Record of Depositors. Every such cheque or warrant or electronic transfer or other methods of remittance shall be made payable to such member and shall be sent, transferred, paid or remitted at the risk of such member. Payment of the cheque or warrant by the bank on which it is drawn or payment into the bank account or other account based on the account information provided by such member entitled or provided in the Record of Depositors or any other record provided by the Depository containing such information shall constitute a good discharge to the Company.

### **DIVIDEND IN SPECIE**

136. Power to distribute dividends in specie

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in



particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to 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 upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

### **CAPITALIZATION OF PROFITS**

137. Capitalization on recommendation of Directors

The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any 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.

138. Appropriations and allotments

Whenever such a resolution as aforesaid shall have been passed the Directors shall make appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things 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 capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

## ACCOUNTS

139. Accounts to be kept

The Directors shall cause to be kept proper accounting and other records with respect to all sums received and expended by the Company and the matters in respect of which such receipt and expenditure takes place and of the assets, credits and liabilities of the Company.

140. Custody of records

The accounting and other records shall be kept at the office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

141. Accounting and other records may be inspected by members

The Directors shall from time to time determine whether, in any particular case or class of cases, or generally, 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 and no member (not being a Director) shall have any right of inspecting any accounting and other records or document of the Company, except as conferred by Statute or authorised by the Directors or by a resolution of the Company in general meeting.

142. Financial statements to be made up and laid before Company yearly

The Directors shall circulate to members and lay before the Company at its annual general meeting to be held in every calendar year its audited financial statements for the period since the preceding audited financial statements, made up to a date not more than six months before such meeting and the interval between the close of a financial year of the Company and the issue of its audited financial statements shall not exceed four months. The audited financial statements shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Act, the Listing Requirements or any other law, and the Directors shall in their report state the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to any reserve fund. The Auditor's report shall be attached to the audited financial statements and shall, if any member so requires, be read before the Company in general meeting and shall be open to inspection by any member at a reasonable time. A copy of each such document in printed form or in electronic form or any combination thereof shall not less than 21 days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 59 of this Constitution or such other period as may be permissible by law and the Listing Requirements) be sent to every member of, and to every other person who is entitled to receive notices from the Company under the provisions of the Act, the Listing Requirements or this Constitution. The requisite number of copies of each such document as may be

required by the Stock Exchange from time to time shall at the same time be likewise sent to each Stock Exchange upon which the Company's shares are listed. 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 or to more than one of joint holders 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.

### **LANGUAGE**

143. Accounting records to be kept in English or Malay language

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

### **AUDIT**

144. Audit

The financial statements of the Company shall be duly audited by one or more Auditor or Auditors before sending them to members and laying them before the Company in annual general meeting as required under the Act.

145. Appointment, removal and resignation of Auditors

The Company at each annual general meeting shall appoint an Auditor or Auditors to hold office until the conclusion of the next annual general meeting and their appointment, remuneration, rights and duties, removal and resignation shall be regulated by the Act.

### **NOTICES AND DOCUMENTS**

146. Service of notices and documents

146.1. A notice and any document to be sent whether pursuant to the Listing Requirements or otherwise may be sent by the Company to any member in hard copy either personally or by sending it by post to him at his postal address or in electronic form to the electronic address provided by him for

such purpose as appearing in the register or Record of Depositors, or by publishing in the website of the Company together with notification of such publication in accordance with the provisions of the Act and the Listing Requirements.

146.2. Service of the notice or document shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document or properly addressing and attaching the notice or document and sending the electronic mail containing the notice or document. Service of the notice or document shall be deemed to have been effected on the day after the date of its posting or of its sending by electronic mail or of its publication in the website of the Company.

146.3. The service of a notice or document shall be published whether in one widely circulated newspaper in Malaysia or in two widely circulated newspapers, one in the national language and the other English language, as may be required by the Act and the Listing Requirements.

147. Notice after death or bankruptcy

A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

148. Notice of general meeting

148.1. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

148.1.1. every member with a registered address as appearing in the register or the Record of Depositors;

148.1.2. every Director for the time being of the Company;

148.1.3. 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 and the Company has been notified of the person's entitlement in writing;

148.1.4. the Auditor for the time being of the Company; and

148.1.5. every Stock Exchange in which the Company is listed.

148.2. No other person shall be entitled to receive notices of general meetings.

148.3. Whenever any notice is required to be given under the provisions of the law of Malaysia or of this Constitution, a waiver thereof or the shortening of the period of such notice, may be effectively executed in writing by the person or persons entitled to such notice.

148.4. Every general meeting shall be given by advertisement in newspaper as provided in Article 146.3.

## **WINDING UP**

### 149. Distribution 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 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.

### 150. 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.

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

150.2. 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.

151. Liquidator's remuneration subject to approval by members

On the voluntary liquidation of the Company, no commission or fee shall be paid to a Liquidator unless it shall have been approved by members. The amount of such payment shall be notified to all members at least 7 days prior to the meeting at which it is to be considered.

**INDEMNITY**

152. Indemnity to officers and Auditors of the Company

152.1. For the purposes of this Article:-

“officer” includes:-

- 152.1.1. any Director, manager, Secretary or employee of the Company;
- 152.1.2. a former officer;
- 152.1.3. a receiver or receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
- 152.1.4. any liquidator of the Company appointed in a voluntary winding up, but does not include –
  - (i) any receiver who is not also a manager;
  - (ii) any receiver and manager appointed by the court; or
  - (iii) any liquidator appointed by the court or by the creditors of the Company.

“effect insurance” includes pay, whether directly or indirectly, the costs of the insurance; and

“indemnify” includes relief or excuse from liability, whether before or after the liability arises, and “indemnity” has a corresponding meaning.

152.2. Subject to the provisions of the Act, the Company may indemnify an officer or Auditor of the Company for any costs incurred by him or the Company in respect of any proceedings-

- 152.2.1. that relate to the liability for any act or omission in his capacity as an officer or Auditor; and

- 152.2.2. in which judgment is given in favour of the officer or Auditor or in which the officer or Auditor is acquitted or is granted relief under the Act, or where proceedings are discontinued or not pursued.
- 152.3. Subject to the provisions of the Act, the Company may indemnify an officer or Auditor of the Company in respect of:-
- 152.3.1. any liability to any person, other than the Company, for any act or omission in his capacity as an officer or Auditor of the Company;
- 152.3.2. any costs incurred by that Director or officer or Auditor in defending or settling any claim or proceedings relating to such liability except:-
- (i) any liability of the Director to pay:-
    - (aa) a fine imposed in criminal proceedings; or
    - (bb) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, howsoever arising; or
  - (ii) any liability incurred by the Director:-
    - (aa) in defending any criminal proceedings in which he is convicted; or
    - (bb) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him; or
  - (iii) any costs incurred in connection with an application for relief under the Act.
- 152.4. The Company may, with the prior approval of the Board, effect insurance for an officer or Auditor of the Company in respect of:-
- 152.4.1. civil liability, for any act or omission in his capacity as a Director or officer or Auditor; and
- 152.4.2. costs incurred by that officer or Auditor in defending or settling any claim or proceeding relating to any such liability; or
- 152.4.3. costs incurred by that officer or Auditor in defending or settling any proceedings that have been brought against that person in relation

to any act or omission in that person's capacity as an officer or Auditor:-

- (i) in which that person is acquitted;
- (ii) in which that person is granted relief under the Act; or
- (iii) where proceedings are discontinued or not pursued.

152.5. The provisions of this Article shall not apply to any civil or criminal liability in respect of a breach of duty or breach of trust or as provided under Section 288 of the Act.

152.6. The Directors shall:-

152.6.1. record or cause to be recorded in the minutes of the Board; and

152.6.2. disclose or cause to be disclosed in the Directors' report referred to in Section 253 of the Act,

the particulars of any indemnity given, or insurance effected for any officer or Auditor of the Company.

### **SECURITIES FROM FOREIGN REGISTER**

153. Transmission of securities

Where –

153.1. the securities of the Company are listed on another stock exchange; and

153.2. 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,

subject to compliance with and there being no contravention of any applicable laws, regulations and/or directives, the Company shall, upon request by a member permit a transmission of securities held by such member from the register of members maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of members 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.



## SHARES OF DIFFERENT MONETARY DENOMINATIONS

### 154. Voting rights of shares of different monetary denominations

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.

## COMPLIANCE

### 155. Compliance with Statutes, Regulations and Rules

The Company shall comply with provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Stock Exchange, the Depository and other appropriate authorities to the extent required by law notwithstanding any provisions in this Constitution to the contrary.

### 156. Effect of the Listing Requirements

156.1. Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.

156.2. Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.

156.3. If the Listing Requirements require an act to be done or not to be done, authority is deemed to be given under this Constitution for that act to be done or not to be done (as the case may be).

156.4. If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.

156.5. If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.

156.6. If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

## FURTHER INFORMATION

### 1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of TCMH 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 false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

### 2. MATERIAL CONTRACTS

Save as disclosed below, neither TCMH nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years up till 31 March 2018 (being the latest practicable date prior to the printing of this Circular):

- (i) Contract of Sale of Assets dated 4 July 2016 (“Agreement”) between TC Aluminium Castings Sdn Bhd (“TCAC”) (a wholly-owned subsidiary of TCMH) and APM Thermal Systems Sdn Bhd (“APMTS”) (a wholly-owned subsidiary of APM Automotive Holdings Berhad), in respect of the disposal of assets of TCAC to APMTS (“Proposed Disposal”) for a total cash consideration of RM5,701,318.00 (“Proposed Disposal Price”) which was subject to price adjustment and conditional upon the fulfilment of the conditions precedent as set out in the Agreement.

The Proposed Disposal Price was adjusted to and agreed at RM5,643,083.81 and all conditions precedent were fulfilled. The Proposed Disposal was completed on 6 September 2016.

- (ii) Sale and Purchase Agreement dated 28 December 2016 between Ping Holdings Sdn Bhd and Tanahku Holdings Sdn Bhd (a wholly-owned subsidiary of TCMH) for the purchase of all the piece of freehold vacant land held under issue document of title GRN No. 26423, Lot 241 Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur with an area measuring 832.108 sq metres for a total purchase price of RM10,748,088.00.
- (iii) Exclusive Distributorship Agreement of XMQ6829Y dated 10 January 2018 between TC Motor Vietnam Co. Ltd. (“TCMV”) (a wholly-owned subsidiary of TCMH) and Xiamen King Long United Automotive Industry Co. Ltd. (“King Long”) whereby TCMV has been appointed as the sole and exclusive distributor, assembler and after-sales service provider (including the sale and distribution of spare parts) of King Long XMQ6829Y 8 meter coach model, in both completely assembled form and in its bare chassis form (“King Long Products”) in Vietnam, for a period of 5 years with an option to renew subject to the parties’ mutual agreement.

### 3. MATERIAL LITIGATION

Saved as disclosed below, neither TCMH nor its subsidiaries as at 31 March 2018 are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened, against TCMH or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of TCMH or its subsidiaries:

**(a) Counter claim from Narita Motorcare (Cambodia) Co. Ltd. (“Narita”), Mr. Long Narith and Ms Pich Sokhom**

On 26 April 2017, Narita filed a Motion to Add and Correct Complaint and a counter claim complaint to, amongst others, order ETCM (C) Pty Ltd (“ETCM (C)”) and Tan Chong Motor (Cambodia) Pty Ltd (“TCMC”) (both wholly-owned subsidiaries of TCMH) to pay damages and compensation of USD6,550,000 to Narita, USD200,000 each to Mr Long Narith and Ms Pich Sokhom. On 9 May 2017, ETCM (C) and TCMC jointly filed the defence to the Motion to Add and Correct Complaint and ordered Narita, Mr. Long Narith and Ms Pich Sokhom to pay ETCM (C) and TCMC damages with approximately USD33,000,000 for actual losses and emotional damages. On 26 November 2017, the Court of First Instance in Phnom Penh has ruled in favour of ETCM (C) and TCMC which ordered Narita, Mr. Long Narith and Ms Pich Sokhom to compensate ETCM (C) and TCMC approximately USD8,037,818 for actual losses and emotional damages. Subsequently, Narita, Mr. Long Narith and Ms. Pich Sokhom have filed an appeal with Court of Appeal against the decision made in November 2017.

The Court of Appeal has fixed the delivery of the decision of appeal on 6 March 2018. As at to date, the Court of Appeal has yet to issue its written decision delivered on 6 March 2018.

The Directors are of the view that the financial impact of this matter is not foreseen to be substantial.

**(b) Counter claim served on TCM Stamping Products Sdn Bhd**

On 18 August 2016, TCM Stamping Products Sdn Bhd (“TCMSP”) (a wholly-owned subsidiary of TCMH) filed a claim against Meka Automotive Industries Sdn Bhd (“MEKA”) for the sum of RM319,829 in respect of supply of automotive accessories. Subsequently, MEKA filed a counter claim of RM16,500,000 against TCMSP, inter alia, for alleged loss of business. On 7 November 2017, TCMSP filed an application for summary judgement against MEKA and TCMSP’s application for striking out MEKA’s defence and counter claim in High Court. On 7 February 2018, TCMSP has successfully obtained Order in Terms and Striking Out against MEKA’s Defence and the Counter Claim in High Court. Accordingly, TCMSP will proceed to file a Proof of Debt in respect of its claim against MEKA for the supply of automotive accessories.

The Directors are of the view that TCMSP has reasonably good chance of succeeding in recovering the MEKA outstanding amount.

**(c) Writ of Summons and Statement of Claim served on Tan Chong Industrial Equipment Sdn Bhd**

On 15 August 2017, Tan Chong Industrial Equipment Sdn Bhd (“TCIE”) (a wholly-owned subsidiary of TCMH) received a sealed Writ of Summons dated 12 August 2017 and Statement of Claim dated 11 August 2017, a sealed copy of a Notice of Application for Injunction dated 12 August 2017 and supporting Affidavit dated 11 August 2017 (“the Action”) from the solicitors acting for Transnasional Express Sdn. Bhd. (“Transnasional”), Plusliner Sdn. Bhd. (“Plusliner”), Syarikat Kenderaan Melayu Kelantan Berhad (“SKMK”), Syarikat Rembau Tampin Sdn. Bhd. (“SRT”), Kenderaan Langkasuka Sdn. Bhd. (“Langkasuka”), Konsortium Transnasional Berhad (“KTB”) and MHSB Properties Sdn Bhd (“MHSB”) (collectively known as “Plaintiffs”).

TCIE had entered into a series of lease agreements with Transnasional, Plusliner and SKMK and a series of service maintenance agreements with Transnasional, Plusliner, SKMK, SRT and Langkasuka (collectively known as “Debtors”) for the lease and service maintenance of the vehicles. The Debtors were owing to TCIE outstanding rentals and service bills amounting to RM32,920,575 (“Debt”).

TCIE had negotiated with the Debtors on the settlement of the Debt on many occasions and after lengthy negotiations, the Debtors and KTB had mutually agreed to enter into a Settlement Agreement with TCIE on 4 July 2016 to settle the same by way of (i) repayment of the amount of RM16,920,575 in cash in several instalments; and (ii) transfer of a piece of land held under H.S.(D) 87546, PT No. 7929, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor (“Land”) owned by MHSB to TCIE for the settlement of the balance Debt of RM16,000,000 (“Balance Debt”) (“Settlement Agreement”).

However, the Debtors failed to make timely repayments of the Debt in accordance with the Settlement Agreement hence, TCIE had exercised its contractual rights to repossess the vehicles leased to the Debtors.

Pursuant to the Action, the Plaintiffs are claiming that an injunction to restrain TCIE from entering into any dealing in relation to the Land and a declaration pertaining to the value of the Land of MHSB is RM55,600,000 and repayment of the sum of RM22,679,425.

On 4 January 2018, the High Court allowed TCIE's application to strike out the Plaintiffs' claim and dismissed the Plaintiffs' injunction application with costs of RM5,000. On 9 January 2018, the Plaintiffs filed an appeal with the Court of Appeal against the judgment of the High Court.

The Court of Appeal has fixed further case management on 26 April 2018.

The Directors are of the opinion that TCIE has reasonably good chance of succeeding in the court case in view that the Action is without any legal basis by the Plaintiff.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular during normal office hours from Mondays to Fridays (except public holidays) up to and including the date of the AGM:

- (i) Constitution of TCMH;
- (ii) Audited financial statements of TCMH for the two (2) financial years ended 31 December 2016 to 2017 and the latest unaudited results since the last audited financial statements;
- (iii) Material contracts referred to in section 2 above; and
- (iv) Relevant cause papers in respect of material litigation referred to in section 3 above.

**PROPOSED RESOLUTIONS ON THE PROPOSALS**

**EXTRACT OF THE NOTICE OF FORTY-SIXTH ANNUAL GENERAL MEETING**

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions:

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

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that –

- (i) the aggregate number of shares purchased and/or held pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and
- (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company’s retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities.”

**(Ordinary Resolution 8)**

## **2. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES**

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with Warisan TC Holdings Berhad and its subsidiaries and jointly-controlled entities involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.1.1 of the Company’s Circular to Shareholders dated 26 April 2018 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders (“Shareholders’ Mandate”).

THAT such approval shall continue to be in force until–

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

**(Ordinary Resolution 9)**

## **3. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES AND JOINT VENTURES**

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“TCMH Group”) to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries and joint ventures involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group (“Related Parties”) including those as set out in Paragraph 3.2.1.2 of the Company’s Circular to Shareholders dated 26 April 2018 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders (“Shareholders’ Mandate”).

THAT such approval shall continue to be in force until–

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**(Ordinary Resolution 10)**

**4. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Tan Chong International Limited and its subsidiaries involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.1.3 of the Company's Circular to Shareholders dated 26 April 2018 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until—

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**(Ordinary Resolution 11)**

**5. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH AUTO DUNIA SDN BHD**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("TCMH Group") to enter into all arrangements and/or transactions with Auto Dunia Sdn Bhd involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the TCMH Group ("Related Parties") including those as set out in Paragraph 3.2.2 of the Company's Circular to Shareholders dated 26 April 2018 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until—

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

**(Ordinary Resolution 12)**

**6. PROPOSED ALTERATION AND AMENDMENT OF THE CONSTITUTION OF THE COMPANY**

“THAT approval be and is hereby given for the Company to alter and amend the existing Constitution of the Company by the deletion of its memorandum of association in its entirety and the adoption of a new Constitution as set out in Appendix V to the Circular to Shareholders dated 26 April 2018 which shall take effect on the date of the passing of this special resolution AND THAT the Directors and/or Company Secretaries of the Company be and are hereby authorised to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary in relation to or in connection with the notification and lodgment of the Constitution of the Company as altered and amended.”

**(Special Resolution)**