

i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company has a present legal or constructive obligation can be estimated reliably.

(ii) State plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

k) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

l) Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Construction contracts

Revenue from contract works is recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(ii) Services rendered

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

o) Operating segments

An operating segment is a component of the Group and the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

p) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

q) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Total RM
2018							
<u>At cost</u>							
Balance at 1 January 2018	697,870	760,000	6,403,385	730,927	2,571,488	281,730	11,445,400
Additions	-	-	-	357,968	767,226	-	1,125,194
Disposal	-	-	-	-	(96,452)	-	(96,452)
Reclassification	-	-	(435,992)	-	-	435,992	-
Transfer to investment properties	(437,870)	-	(1,751,480)	-	-	-	(2,189,350)
Balance at 31 December 2018	260,000	760,000	4,215,913	1,088,895	3,242,262	717,722	10,284,792
<u>Accumulated Depreciation</u>							
Balance at 1 January 2018	-	39,500	291,460	335,844	1,298,063	111,965	2,076,832
Charge for the financial year	-	15,200	89,518	121,036	568,712	341,082	1,135,548
Disposal	-	-	-	-	(96,452)	-	(96,452)
Reclassification	-	-	(52,823)	-	-	52,823	-
Transfer to investment properties	-	-	(60,102)	-	-	-	(60,102)
Balance at 31 December 2018	-	54,700	268,053	456,880	1,770,323	505,870	3,055,826
Net Book Value	260,000	705,300	3,947,860	632,015	1,471,939	211,852	7,228,966

Company	Freehold land RM	Leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Total RM
2018							
<u>At cost</u>							
Balance at 1 January 2018	697,870	760,000	6,403,385	730,927	2,571,488	281,730	11,445,400
Additions	-	-	-	357,968	767,226	-	1,121,144
Disposal	-	-	-	-	(96,452)	-	(96,452)
Reclassification	-	-	(435,992)	-	-	435,992	-
Transfer to investment properties	(437,870)	-	(1,751,480)	-	-	-	(2,189,350)
Balance at 31 December 2018	260,000	760,000	4,215,913	1,088,895	3,242,262	717,722	10,280,742
<u>Accumulated Depreciation</u>							
Balance at 1 January 2018	-	39,500	291,460	335,844	1,298,063	111,965	2,076,832
Charge for the financial year	-	15,200	89,518	121,036	568,712	341,082	1,135,210
Disposal	-	-	-	-	(96,452)	-	(96,452)
Reclassification	-	-	(52,823)	-	-	52,823	-
Transfer to investment properties	-	-	(60,102)	-	-	-	(60,102)
Balance at 31 December 2018	-	54,700	268,053	456,880	1,770,323	505,870	3,055,488
Net Book Value	260,000	705,300	3,947,860	632,015	1,471,939	211,852	7,225,254

Company	Freehold land RM	Leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Total RM
2017							
At cost							
Balance at 1 January 2017	137,750	760,000	4,162,905	635,597	2,120,010	99,780	7,916,042
Additions	560,120	-	2,240,480	95,330	565,692	181,950	3,643,572
Disposal	-	-	-	-	(114,214)	-	(114,214)
Balance at 31 December 2017	697,870	760,000	6,403,385	730,927	2,571,488	281,730	11,445,400
Accumulated Depreciation							
Balance at 1 January 2017	-	24,300	183,112	263,286	975,546	96,985	1,543,229
Charge for the financial year	-	15,200	108,348	72,558	422,731	14,980	633,817
Disposal	-	-	-	-	(100,214)	-	(100,214)
Balance at 31 December 2017	-	39,500	291,460	335,844	1,298,063	111,965	2,076,832
Net Book Value	697,870	720,500	6,111,925	395,083	1,273,425	169,765	9,368,568

- (i) The titles of the freehold land is in the process of being registered in the name of the Company.
- (ii) The freehold land, leasehold land and buildings at carrying amount of RM260,000 (2017 – RM697,870), RM705,300 (2017 – RM720,500) and RM3,947,860 (2017 – RM6,111,925) respectively have been pledged to licensed banks as securities for credit facilities granted to the Group and the Company.
- (iii) The leasehold land of the Group and of the Company have unexpired periods of lease of 92 (2017 – 91) years.
- (vi) The gross carrying amounts of fully depreciated property, plant and equipment of the Group and of the Company are as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Furniture, fittings and equipment	218,039	218,039	171,906	
Motor vehicles	685,136	685,136	182,888	
Renovation	99,835	99,835	99,835	
	1,003,010	1,003,010	454,629	

- (v) The carrying amounts of property, plant and equipment under finance lease arrangements are as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Motor vehicles	1,070,950	1,070,950	1,184,221	

5. Investment properties

	Freehold lands RM	Buildings RM	Total RM
<u>Group and Company</u>			
2018			
<u>At cost</u>			
Balance at 1 January 2018	-	-	-
Additions	156,407	625,627	782,034
Transfer from property, plant and equipment	437,870	1,751,480	2,189,350
Balance at 31 December 2018	594,277	2,377,107	2,971,384

	Freehold lands RM	Buildings RM	Total RM
<u>Accumulated Depreciation</u>			
Balance at 1 January 2018	-	-	-
Charge for the financial year	-	55,517	55,517
Transfer from property, plant and equipment	-	60,102	60,102
Balance at 31 December 2017	-	115,619	115,619
Net Book Value	594,277	2,261,488	2,855,765

Investment properties of the Group and the Company comprise commercial and residential properties that are intended to be leased to third parties. No contingent rents are charged. During the financial year, two properties has been transferred from property, plant and equipment (see note 4) to investment property, since the building was no longer used by the Group and the Company and would be leased to third party.

The titles of freehold land are in the process of being registered in the name of the Company.

The freehold land and building at carrying amount of RM300,120 (2017 – Nil) and RM1,165,466 (2017 – Nil) respectively have been pledged to licensed bank as securities for credit facilities granted to the Group and the Company.

The fair values of investment properties of the Group and of the Company as at financial year end were RM3,634,710 (2017 – Nil). The fair values were arrived from Directors' estimation by reference to the actual transactions transacted for properties around the same vicinity.

Rental income of RM8,000 (2017 – Nil) is recognised in profit or loss in respect of the investment properties.

Fair value information

The fair value of investment properties of the Group and Company is categorised as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<u>Group</u>				
2018				
Investment properties	-	-	3,634,710	3,634,710
<u>Company</u>				
2018				
Investment properties	-	-	3,634,710	3,634,710
<u>Company</u>				
2017				
Investment properties	-	-	-	-

6. Investment in subsidiary companies

	Company	
	2018 RM	2017 RM
At cost : - Unquoted shares	1,052	-

The details of the subsidiary companies are as follow:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective Ownership interest	
			2018 %	2017 %
KAB Construction Sdn. Bhd. #	Malaysia	General construction and property development	51	-
KAB Technologies Sdn. Bhd. #	Malaysia	Design, installation and commissioning of energy monitoring and saving software	100	-
KAB M&E Engineering Sdn. Bhd. #	Malaysia	Provision of electrical and mechanical services	100	-
KAB (HK) Investment Co., Ltd. *#	Hong Kong	Yet to commence business	100	-

The auditors' report of the subsidiary companies contains an emphasis of material uncertainty related to going concern.

* Audited by a firm other than Kreston John & Gan

7. Trade receivables

	Group	Company	
	2018 RM	2018 RM	2017 RM
Non-current assets			
Third parties	7,403,660	7,403,660	8,090,279
Current assets			
Third parties	33,403,769	33,403,769	29,461,972

The normal credit terms of trade receivables range from 30 to 90 days (2017 – 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables as at financial year end are retentions sum of RM15,112,047 (2017 – RM14,381,381) relating to construction contracts. Retentions sum are unsecured, interest-free and are expected to be collected as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	
Within 1 year	7,708,387	7,708,387	6,291,102	
More than 1 year and less than 2 years	3,642,742	3,642,742	3,343,056	
More than 2 years and less than 5 years	3,760,918	3,760,918	4,747,223	
	15,112,047	15,112,047	14,381,381	

Analysis of retentions sum on deferred payment terms with discount rate of 6.2% (2017 – Nil) per annum, being the weighted average cost of capital of the Company as at financial year end, are as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	
Nominal value	15,837,047	15,837,047	14,381,381	
Discount	(725,000)	(725,000)	-	
	15,112,047	15,112,047	14,381,381	

8. Contract assets / liabilities

	Group		Company	
	2018 RM	2018 RM	2017 RM	
Contract assets	27,349,530	27,349,530	13,515,262	
Contract liabilities	(7,057,984)	(7,057,984)	(8,200,982)	
Represented by :-				
Contract assets				
Aggregate cost recognised to date	192,358,298	192,358,298	156,912,913	
Add: Attributable profits	51,373,922	51,373,922	36,769,206	
	243,732,220	243,732,220	193,682,119	
Less: Progress billings	(216,382,690)	(216,382,690)	(180,166,857)	
	27,349,530	27,349,530	13,515,262	

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Contract liabilities	110,331,387	110,331,387		86,402,524
Aggregate cost recognised to date	33,680,544	33,680,544		26,634,026
Add: Attributable profits				
	144,011,931	144,011,931		113,036,550
Less: Progress billings	(151,069,915)	(151,069,915)		(121,237,532)
	(7,057,984)	(7,057,984)		(8,200,982)

Included in progress billings are retentions sum of RM15,112,047 (2017 – RM14,381,381).

9. Other receivables, deposits and prepayments

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Non-trade Other receivables	2,710,565	2,710,565		798,900
Deposits	784,625	784,625		671,362
Prepayments	5,585	5,585		173,000
	3,500,775	3,500,775		1,643,262

10. Amount due from subsidiary companies

The amount due from subsidiary companies are unsecured, interest free and repayable on demand on cash and cash equivalents.

11. Deposits with licensed banks

The fixed deposits with licensed banks are pledged as security for bank credit facilities granted to the Group and the Company.

The interest rate of fixed deposits with licensed banks that was effective during the financial year is 3.08% (2017 – 2.65%) per annum.

12. Share capital

	Number of shares		Group and Company	
	2018	2017	2018 RM	2017 RM
Issued and fully paid Ordinary shares with no par value :-				
Balance at 1 January	320,000,000	1,000,000	320,000,000	1,000,000
Issuance of shares				
pursuant to bonuses issue	-	220,000,000	-	11,000,000
Sub-division of shares	-	19,000,000	-	-
Issuance of shares	-	80,000,000	-	20,000,000
Balance at 31 December	320,000,000	320,000,000	320,000,000	32,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

13. Retained profits

Under the single tier income tax system, the Company is not required to have tax credit under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholder.

14. Non-controlling interest

	Group
	2018 RM
Balance at 1 January 2018	-
Share of non-controlling interest for subsidiary company incorporated during the financial year	490
Tranferred from profit or loss	(5,970)
Balance at 31 December 2018	(5,480)

15. Borrowings

	Group		Company	
	2018 RM	2018 RM	2017 RM	
Non-current liabilities				
<u>Secured</u>				
Term loans	4,750,787	4,750,787	5,187,632	
Finance lease liabilities	532,042	532,042	708,912	
	5,282,829	5,282,829	5,896,544	
Current liabilities				
<u>Secured</u>				
Bank factoring	-	-	2,513,237	
Trade finance	2,678,547	2,678,547	2,051,190	
Bank overdrafts	1,129,837	1,129,837	2,828,835	
Term loans	343,641	343,641	1,762,120	
Finance lease liabilities	375,992	375,992	354,813	
	4,528,017	4,528,017	9,510,195	

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Total borrowings				
<u>Secured</u>				
Bank factoring (Note 16)	-	-	-	2,513,237
Trade finance (Note 17)	2,678,547	2,678,547	2,678,547	2,051,190
Bank overdrafts (Note 18)	1,129,837	1,129,837	1,129,837	2,828,835
Term loans (Note 19)	5,094,428	5,094,428	5,094,428	6,949,752
Finance lease liabilities (Note 20)	908,034	908,034	908,034	1,063,725
	9,810,846	9,810,846	9,810,846	15,406,739
Effective interest /expense rates : -	%	%	%	%
Bank factoring	-	-	-	17.70
Trade finance	3.86	3.86	3.86	0.82
Bank overdrafts	14.91	14.91	14.91	10.18
Term loans	6.57	6.57	6.57	6.37
Finance lease liabilities	10.02	10.02	10.02	3.88

16. Bank factoring

Group and Company

Secured

The bank factoring are secured by the following:-

- (i) assignment of contract proceeds from certain contract;
- (ii) a lien over fixed deposits of the Company;
- (iii) jointly and severally guaranteed by certain directors of the Company.

17. Trade finance

Group and Company

Secured

The trade finance are secured by the following:-

- (i) first party legal charge over freehold land and building and leasehold land and building of the Company as disclosed in Note 4 to the financial statements;
- (ii) a lien over fixed deposits of the Company;
- (iii) jointly and severally guaranteed by certain directors of the Company.

18. Bank overdraft

Group and Company

Secured

The bank factoring are secured by the following:-

- (i) first party legal charge over freehold land and building and leasehold land and building of the Company as disclosed in Note 4 to the financial statements;
- (ii) a lien over fixed deposits of the Company;
- (iii) jointly and severally guaranteed by certain directors of the Company.

19. Term loans

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
<u>Secured</u>				
Term loan 1	-	-	-	1,519,485
Term loan 2	2,700,000	2,700,000	2,700,000	2,900,000
Term loan 3	899,992	899,992	899,992	966,664
Term loan 4	1,494,436	1,494,436	1,494,436	1,563,603
	5,094,428	5,094,428	5,094,428	6,949,752
Repayable as follows : -				
Non-current liabilities				
- later than one year and not later than two years				
Term loan 2	400,000	400,000	400,000	400,000
Term loan 3	133,344	133,344	133,344	133,344
Term loan 4	165,966	165,966	165,966	251,334
	699,310	699,310	699,310	784,678
- later than two years and not later than five years				
Term loan 2	600,000	600,000	600,000	600,000
Term loan 3	200,016	200,016	200,016	200,016
Term loan 4	279,644	279,644	279,644	266,829
	1,079,660	1,079,660	1,079,660	1,066,845
- later than five years				
Term loan 2	1,500,000	1,500,000	1,500,000	1,700,000
Term loan 3	499,960	499,960	499,960	566,632
Term loan 4	971,857	971,857	971,857	1,069,477
	2,971,817	2,971,817	2,971,817	3,336,109
	4,750,787	4,750,787	4,750,787	5,187,632

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Current liabilities				
- not later than one year				
Term loan 1	-	-	1,519,485	
Term loan 2	200,000	200,000	38,652	
Term loan 3	66,672	66,672	161,384	
Term loan 4	76,969	76,969	42,599	
	343,641	343,641	1,762,120	
	5,094,428	5,094,428	6,949,752	

Secured

Term loan 1

The term loan 1 is secured by the following:-

- (i) a lien over fixed deposits of the Company;
- (ii) guaranteed by a third party, Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- (iii) jointly and severally guaranteed by certain directors of the Company.

The term loan 1 is repayable by 60 monthly instalments of RM64,354.

Term loan 2

The term loan 2 is secured by the following:-

- (i) first party legal charge over freehold land and building and leasehold land and building of the Company as disclosed in Note 4 to the financial statements;
- (ii) a lien over fixed deposits of the Company;
- (iii) jointly and severally guaranteed by certain directors of the Company.

The term loan 2 is repayable by 180 monthly instalments of RM16,668.

Term loan 3

The term loan 3 is secured by the following:-

- (i) first party legal charge over freehold land and building and leasehold land and building of the Company as disclosed in Note 4 to the financial statements;
- (ii) a lien over fixed deposits of the Company;
- (iii) jointly and severally guaranteed by certain directors of the Company.

The term loan 3 is repayable by 180 monthly instalments of RM5,556.

Term loan 4

The term loan 4 is secured by the following : -

- (i) first party legal charge over freehold lands and buildings of the Company as disclosed in Note 5 to the financial statements;
- (ii) jointly and severally guaranteed by certain directors of the Company.

The term loan 4 is repayable by 280 monthly instalments of RM12,150.

20. Finance lease liabilities

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Minimum lease payments : -				
- not later than one year	408,613	408,613		399,984
- later than one year and not later than two years	407,990	407,990		598,305
- later than two years and not later than five years	157,786	157,786		200,108
	974,389	974,389		1,198,397
Less : Future interest charge	(66,355)	(66,355)		(134,672)
Present value of finance lease liabilities	908,034	908,034		1,063,725
Repayable as follows : -				
Non-current liabilities				
- later than one year and not later than two years	378,759	378,759		530,811
- later than two years and not later than five years	153,283	153,283		178,101
	532,042	532,042		708,912
Current liabilities				
- not later than one year	375,992	375,992		354,813
	908,034	908,034		1,063,725

The Group and the Company obtains finance lease facilities to finance their purchase of motor vehicles. The remaining finance lease terms are in the range from 1 to 5 years as at 31st December 2018. Implicit interest rate of the finance lease is fixed at the inception of the finance lease arrangements, and the finance lease instalments are fixed throughout the finance lease period. The Group has the option to purchase the assets at the end of the agreements. There are no significant restriction clauses imposed on the finance lease arrangements.

21. Deferred tax liabilities

	Group	Company	
	2018 RM	2018 RM	2017 RM
Balance at 1 January	77,795	77,795	45,851
Transferred from profit or loss (Note 30)	-	-	31,944
Balance at 31 December	77,795	77,795	77,795

The components and movements of deferred tax liability during the financial year prior to offsetting are as follows:-

Group	As at 1 January RM	Transfer from profit or loss RM	As at 31 December RM
<u>Group</u>			
2018			
Deferred tax liability			
Property, plant and equipment	77,795	-	77,795
<u>Company</u>			
2018			
Deferred tax liability			
Property, plant and equipment	77,795	-	77,795
<u>Company</u>			
2017			
Deferred tax liability			
Property, plant and equipment	45,851	31,944	77,795

22. Trade payables

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Non-current liabilities				
Third parties	2,465,690	2,465,690	3,538,220	
Current liabilities				
Third parties	30,830,648	30,830,648	17,941,751	

The normal credit terms of trade payables range from 30 to 120 days (2017 – 30 to 120 days). However, the credit terms may vary dependent on negotiation with the suppliers.

Included in trade payables as at financial year end are retentions sum of RM6,734,037 (2017 – RM6,082,253) relating to construction contracts. Retentions sum are unsecured, interest-free and are expected to be paid as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Within 1 year	4,268,347	4,268,347	2,544,033	
More than 1 year and less than 2 years	1,391,112	1,391,112	1,640,877	
More than 2 years and less than 5 years	1,074,578	1,074,578	1,897,343	
	6,734,037	6,734,037	6,082,253	

Analysis of retentions sum on deferred payment terms with discount rate of 6.2% per annum, being the weighted average cost of capital of the Company as at financial year end, are as follows:-

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Nominal value	6,959,037	6,959,037	6,082,253	
Discount	(225,000)	(225,000)	-	
	6,734,037	6,734,037	6,082,253	

23. Other payables and accruals

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Other payables	1,479,220	1,476,964		233,723
Accruals	989,370	964,644		695,746
	2,468,590	2,441,608		929,469

24. Revenue

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Revenue from contract customers	126,599,675	126,599,675		103,571,506
Revenue from sale of goods	12,496,292	12,496,292		10,980,351
	139,095,967	139,095,967		114,551,857
Timing of revenue:-				
- at a point in time	12,496,292	12,496,292		10,980,351
- over time	126,599,675	126,599,675		103,571,506
	139,095,967	139,095,967		114,551,857

25. Other income

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Fair value discount on payables	225,000	225,000		-
Gain on disposal of property, plant and equipment	35,000	35,000		-
Interest income	410,705	410,705		292,715
Rental income	8,000	8,000		-
Sundry income	97,650	97,650		177,126
	776,355	776,355		469,841

26. Finance costs

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
Bank factoring interest	58,315	58,315	444,854	
Bank overdraft interest	168,435	168,435	288,053	
Fair value discount on receivables	725,000	725,000	-	
Finance lease interest	91,018	91,018	41,259	
Term loan interest	334,575	334,575	442,776	
Trade finance interest	103,327	103,327	16,731	
	1,480,670	1,480,670	1,233,673	

27. Profit before taxation

	Group		Company	
	2018 RM	2018 RM	2017 RM	2017 RM
This is arrived at after charging : -				
Auditors' remuneration				
- current financial year				
- Kreston John & Gan	113,500	110,000	-	
- other auditors	4,239	-	80,000	
- overprovision in prior financial year				
- other auditors	(6,000)	(6,000)	(7,000)	
Depeciation				
- property, plant and equipment	1,135,548	1,135,548	633,817	
- investment properties	55,517	55,517	-	
Employee benefits expense (Note 28)	8,691,351	8,691,351	6,680,683	
Hire of machinery	29,209	29,209	42,540	
Loss on disposal of				
property, plant and equipment	-	-	14,001	
Rental of premises	95,083	95,083	114,379	
and crediting:-				
Fair value discount on payables	225,000	225,000	-	
Gain on disposal of				
property, plant and equipment	35,000	35,000	-	
Interest income	410,705	410,705	292,715	
Rental income	8,000	8,000	-	

28. Employee benefits expense

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Salaries, bonus, wages and allowances	7,020,425	6,988,207	5,546,596	
Employees Provident Fund	1,026,165	1,022,489	660,269	
Employment Insurance System	8,945	8,901	-	
Social security cost	79,578	79,195	55,795	
Other staff related expenses	556,238	549,338	418,023	
	8,691,351	8,648,130	6,680,683	

Included in employee benefits expense of the Group and of the Company are executive directors' emoluments excluding benefits-in-kind, amounting to RM2,289,312 (2017 – RM1,368,407) as disclosed in Note 29 to the financial statements.

29. Directors' emoluments

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Directors of the Company				
Executive directors				
- emoluments	2,072,944	2,072,944	1,269,047	
- Employees Provident Fund	216,368	216,368	99,360	
Non-executive directors				
- fees	180,000	180,000	170,025	
Total excluding benefits-in-kind	2,469,312	2,469,312	1,538,432	

30. Income tax expense

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Tax provision for the financial year	3,630,000	3,630,000	3,118,534	
Underprovision of taxation in previous financial year	227,912	227,912	258,447	
Deferred taxation (Note 21)	-	-	31,944	
	3,857,912	3,857,912	3,408,925	

Income tax is calculated at the Malaysian statutory tax rates of 24% (2017 – 24%) of the estimated assessable profit for the financial year.

The numerical reconciliation between the effective tax rate and the applicable tax rate is as follows:-

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Applicable tax rate	24	24	24	24
Non-allowable expenses	5	5	5	10
Non-taxable income	-	-	-	(3)
Underprovision of taxation in previous financial year	2	2	2	3
Effective tax rate	31	31	31	34

31. Earnings per share

Basic:

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the financial year as follows:-

	Group
	2018 RM
Profit for the financial year attributable to ordinary owners of the Company	8,562,715
Weighted average number of ordinary shares in issue	320,000,000
Basic earnings per share	2.68

Diluted:

Diluted earnings per share is not computed as the Group and the Company did not have any convertible financial instruments as at 31 December 2018.

32. Dividends paid

The interim dividends paid in respect of financial year ended 31 December are as follows:-

	2018 RM	2017 RM
- 1st interim single-tier dividend of RM0.005 per share paid on 6 April 2018	1,600,000	-
- 2nd interim single-tier dividend of RM0.005 per share paid on 11 October 2018	1,600,000	-
	3,200,000	-

The directors do not recommend any final dividend for the financial year ended 31 December 2018.

33. Purchase of property, plant and equipment

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:-

	Group	Company	
	2018 RM	2018 RM	2017 RM
Purchase of property, plant and equipment (Note 4)	1,125,194	1,121,144	3,643,572
Financed by finance lease arrangements	(220,000)	(220,000)	(378,000)
	905,194	901,144	3,265,572

34. Purchase of investment properties

During the financial year, the Group and the Company made the following cash payments to purchase investment properties:-

	Group	Company	
	2018 RM	2018 RM	2017 RM
Purchase of investment properties (Note 5)	782,034	782,034	-
Contra from trade receivables	(782,034)	(782,034)	-
	-	-	-

35. Changes in liabilities arising from financing activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows:-

	At 1 January 2018 RM	Cash flows RM	At 31 December 2018 RM
Bank factoring	2,513,237	(2,513,237)	-
Trade finance	2,051,190	627,357	2,678,547
Term loans	6,949,752	(1,855,324)	5,094,428
Finance lease liabilities	1,063,725	(155,691)	908,034
	12,577,904	(3,896,895)	8,681,009

36. Cash and cash equivalents

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
Cash and bank balances	10,510,914	10,468,343		11,902,017
Bank overdraft (Note 18)	(1,129,837)	(1,129,837)		(2,828,835)
Deposits with licensed banks (Note 11)	9,194,209	9,194,209		16,243,790
	18,575,286	18,532,715		25,316,972
Less :				
- pledged deposits (Note 11)	(9,194,209)	(9,194,209)		(16,243,790)
	9,381,077	9,338,506		9,073,182

37. Segment information

No segment reporting by industry and geographical segments has been prepared as the Group and the Company operated predominantly in the provision of electrical and mechanical engineering services and their subsidiary companies are newly incorporated during the financial year and remained inactive as at the end of the financial year.

The following is major customer with revenue equal or more than 10% of the Group's or the Company's total revenue:-

	Group		Company	
	2018 RM	2018 RM	2018 RM	2017 RM
- customer A	3,695,498	3,695,498		15,556,797
- customer B	29,536,509	29,536,509		7,052,465
- customer C	15,737,832	15,737,832		3,673,522
	48,969,839	48,969,839		26,282,784

38. Financial instruments

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Financial assets measured at amortised cost ("FAAC").
(ii) Financial liabilities measured at amortised cost ("FLAC").

	Carrying amount RM	FAAC RM	FLAC RM
Group 2018			
Financial assets			
Trade receivables	40,807,429	40,807,429	-
Contract assets	27,349,530	27,349,530	-
Other receivables and deposits	3,495,190	3,495,190	-
Deposits with licensed banks	9,194,209	9,194,209	-
Cash and bank balances	10,510,914	10,510,914	-
	91,357,272	91,357,272	-
Financial liabilities			
Trade and other payables	(33,296,338)	-	(33,296,338)
Contract liabilities	(7,057,984)	-	(7,057,984)
Other payables and accruals	(2,468,590)	-	(2,468,590)
Borrowings	(9,810,846)	-	(9,810,846)
	(52,633,758)	-	(52,633,758)
Company 2018			
Financial assets			
Trade receivables	40,807,429	40,807,429	-
Contract assets	27,349,530	27,349,530	-
Other receivables and deposits	3,495,190	3,495,190	-
Amount due from subsidiary companies	156,335	156,335	-
Deposits with licensed banks	9,194,209	9,194,209	-
Cash and bank balances	10,468,343	10,468,343	-
	91,471,036	91,471,036	-
Financial liabilities			
Trade payables	(33,296,338)	-	(33,296,338)
Contract liabilities	(7,057,984)	-	(7,057,984)
Other payables and accruals	(2,441,608)	-	(2,441,608)
Borrowings	(9,810,846)	-	(9,810,846)
	(52,606,776)	-	(52,606,776)

	Carrying amount RM	FAAC RM	FLAC RM
2017			
Financial assets			
Trade receivables	37,552,251	37,552,251	-
Contract assets	13,515,262	13,515,262	-
Other receivables and deposits	1,470,262	1,470,262	-
Deposits with licensed banks	16,243,790	16,243,790	-
Cash and bank balances	11,902,017	11,902,017	-
	80,683,582	80,683,582	-
Financial liabilities			
Trade payables	(21,479,971)	-	(21,479,971)
Contract liabilities	(8,200,982)	-	(8,200,982)
Other payables and accruals	(929,469)	-	(929,469)
Borrowings	(15,406,739)	-	(15,406,739)
	(46,017,161)	-	(46,017,161)

b) Gains and losses arising from financial instruments

	Group	Company	
	2018 RM	2018 RM	2017 RM
Net gains /(losses) on:-			
Financial assets			
measured at amortised cost	410,705	410,705	292,715
Financial liabilities			
measured at amortised cost	(1,255,670)	(1,255,670)	(1,233,673)
	(844,965)	(844,965)	(940,958)

c) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:-

- Credit risk
- Liquidity and cash flow risk
- Market risk
- Operational risk

(i) Credit risk

Credit risk is the risk of a financial loss to the Group or to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and subsidiary companies.

Receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with high credit worthiness. The Group and the Company also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group and Company management reporting procedures.

Exposure to credit risk, credit quality and collateral

As at 31 December 2018, the Group and the Company has significant concentration of credit risk in the form of outstanding balance of approximately RM6,100,000 due from three trade receivables which represents 15% of the total trade receivables of the Group and of the Company. However, the directors are of the opinion that these amount outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group and of the Company.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Expected credit losses ("ECL") assessment for trade receivables as at 1 January 2018 and 31 December 2018

The Group and the Company use an allowance matrix to measure the ECLs of trade receivables from individual customers.

To measure the expected credit losses, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2018:-

	Gross RM	Loss allowance RM	Net RM
Group			
2018			
Not past due	18,001,734	-	18,001,734
Past due Over 90 days	7,693,648	-	7,693,648
Retention sums	15,112,047	-	15,112,047
	40,807,429	-	40,807,429

	Gross RM	Loss allowance RM	Net RM
Company 2018			
Not past due	18,001,734	-	18,001,734
Past due Over 90 days	7,693,648	-	7,693,648
Retention sums	15,112,047	-	15,112,047
	40,807,429	-	40,807,429

Comparative under MFRS 139 Financial Instruments

An analysis of the credit quality of trade receivables that were neither past due nor impaired and the aging of trade receivables that were past due but not impaired as at 1 January 2018 is as follows:-

	Gross RM	Individual impairment RM	Net RM
Company 2017			
Not past due	19,967,260	-	19,967,260
Past due Over 90 days	3,473,610	-	3,473,610
Retention sums	14,381,381	-	14,381,381
	37,822,251	-	37,822,251

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Movements in the allowance for impairment losses in respect of trade receivables

On the date of initial application of MFRS 9, there was no adjustment on the ending balance of the allowance for impairment losses reported under the previous MFRS 139 to derive the opening balance allowance for impairment losses determined in accordance with MFRS 9.

The allowance in respect of trade receivables is used to record impairment losses. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivable directly.

Expected credit loss of other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. Based on management's assessment, the probability of the default of these receivables is low and hence, no loss allowance has been made.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the results of the subsidiary companies regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiary companies are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiary companies.

(ii) **Liquidity and cash flow risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:-

	Carrying amount RM	Effective interest/ expense rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group 2018							
Non-derivative financial liabilities							
Retentions							
(included in trade payables)							
Trade payables	6,734,037	6.20	6,959,037	4,268,347	1,477,361	1,213,329	-
Contract liabilities	26,562,301	-	26,562,301	26,562,301	-	-	-
Other payables and accruals	7,057,984	-	7,057,984	7,057,984	-	-	-
Trade finance	2,468,590	-	2,468,590	2,468,590	-	-	-
Bank overdrafts	2,678,547	3.86	2,678,547	2,678,547	-	-	-
Term loans	1,129,837	14.91	1,129,837	1,129,837	-	-	-
Finance lease liabilities	5,094,428	6.57	5,094,428	343,641	699,310	1,079,660	2,971,817
	908,034	10.02	974,389	408,613	407,990	157,786	-
	52,633,758		52,925,113	44,917,860	2,584,661	2,450,775	2,971,817
Company 2018							
Non-derivative financial liabilities							
Retentions							
(included in trade payables)							
Trade payables	6,734,037	6.20	6,959,037	4,268,347	1,477,361	1,213,329	-
Contract liabilities	26,562,301	-	26,562,301	26,562,301	-	-	-
Other payables and accruals	7,057,984	-	7,057,984	7,057,984	-	-	-
Trade finance	2,441,608	-	2,441,608	2,441,608	-	-	-
Bank overdrafts	2,678,547	3.86	2,678,547	2,678,547	-	-	-
Term loans	1,129,837	14.91	1,129,837	1,129,837	-	-	-
Finance lease liabilities	5,094,428	6.57	5,094,428	343,641	699,310	1,079,660	2,971,817
	908,034	10.02	974,389	408,613	407,990	157,786	-
	52,606,776		52,898,131	44,890,878	2,584,661	2,450,775	2,971,817

Company 2017	Carrying amount RM	Effective interest/ expense rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Non-derivative financial liabilities							
Retentions							
(included in trade payables)	6,082,253	-	6,082,253	2,544,033	1,640,877	1,897,343	-
Trade payables	15,397,718	-	15,397,718	15,397,718	-	-	-
Contract liabilities	8,200,982	-	8,200,982	8,200,982	-	-	-
Other payables and accruals	929,469	-	929,469	929,469	-	-	-
Bank factoring	2,513,237	17.70	2,513,237	2,513,237	-	-	-
Trade finance	2,051,190	0.82	2,051,190	2,051,190	-	-	-
Bank overdrafts	2,828,835	10.18	2,828,835	2,828,835	-	-	-
Term loans	6,949,752	6.37	6,949,752	1,762,120	784,678	1,066,845	3,336,109
Finance lease liabilities	1,063,725	3.88	1,198,397	399,984	598,305	200,108	-
	46,017,161		46,151,833	36,627,568	3,023,860	3,164,296	3,336,109

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest/expense rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Interest/Expense rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest /expense rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest/expense rates. Short term investments such as deposits with licensed banks are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Exposure to interest /expense rate risk

The interest/expense rate profile of the Group's and the Company's significant interest/expense-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	2018 RM	Effective interest rate %	2017 RM	Effective interest rate %
<u>Group and Company</u>				
<u>Fixed rate instruments</u>				
Deposits with licensed banks	9,194,209	3.08	16,243,790	2.65
Finance lease liabilities	(908,034)	10.02	(1,063,725)	3.88
<u>Floating rate instruments</u>				
Bank factoring	-	-	(2,513,237)	17.70
Trade finance	(2,678,547)	3.86	(2,051,190)	0.82
Bank overdrafts	(1,129,837)	14.91	(2,828,835)	10.18
Term loans	(5,094,428)	6.57	(6,949,752)	6.37

Interest rate risk sensitivity analysis:-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM6,063 (2017 – RM11,924) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(iv) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

d) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair value due to the relatively short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near to the reporting date.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 4 RM	Level 1 RM	Level 2 RM	Level 3 RM	Level 4 RM		
Group										
2018										
Financial assets										
Retentions sum (included in trade receivables)	-	-	7,403,660	7,403,660	-	-	-	-	7,403,660	7,403,660
Financial liabilities										
Retentions sum (included in trade payables)	-	-	2,465,690	2,465,690	-	-	-	-	2,465,690	2,465,690
Term loans	-	-	-	-	-	-	3,768,798	3,768,798	3,768,798	4,750,787
Finance lease liabilities	-	-	-	-	-	-	501,187	501,187	501,187	532,042
	-	-	2,465,690	2,465,690	-	-	4,269,985	4,269,985	6,735,675	7,748,519
Company										
2018										
Financial assets										
Retentions sum (included in trade receivables)	-	-	7,403,660	7,403,660	-	-	-	-	7,403,660	7,403,660

	Fair value of financial instruments not carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 4 RM	Level 1 RM	Level 2 RM	Level 3 RM	Level 4 RM		
Financial liabilities										
Retentions sum (included in trade payables)	-	-	2,465,690	2,465,690	-	-	-	-	2,465,690	2,465,690
Term loans	-	-	-	-	-	-	3,768,798	3,768,798	3,768,798	4,750,787
Finance lease liabilities	-	-	-	-	-	-	501,187	501,187	501,187	532,042
	-	-	2,465,690	2,465,690	-	-	4,269,985	4,269,985	6,735,675	7,748,519
Company 2017										
Financial assets										
Retentions sum (included in trade receivables)	-	-	7,403,660	7,403,660	-	-	-	-	7,403,660	7,403,660
	-	-	3,538,220	3,538,220	-	-	-	-	3,538,220	3,538,220
Term loans	-	-	-	-	-	-	4,130,459	4,130,459	4,130,459	5,187,632
Finance lease liabilities	-	-	-	-	-	-	739,884	739,884	739,884	532,042
	-	-	3,538,220	3,538,220	-	-	4,870,343	4,870,343	8,408,563	9,257,894

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2017 - no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following shows the valuation techniques used in the determination of fair values within Level 3 for financial instruments not carried at fair value, as well as the key unobservable inputs used in the valuation models.

Type	Description of valuation technique and inputs used
Retentions sum	Discounted cash flows using a rate based on the weighted average cost of capital of the Group and the Company at the reporting date.
Borrowings	Discounted cash flows using a rate based on the current market rate of borrowing of the Group and the Company at the reporting date.

39. Capital management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may take adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

	Group		Company
	2018 RM	2018 RM	2017 RM
Total borrowings	9,810,846	9,810,846	15,406,739
Total equity	48,256,748	48,256,748	42,899,451
Debt-to-equity ratio	0.20	0.20	0.36

There was no change in the Group's and the Company's approach to capital management during the financial year.

40. Capital commitment

	Group	Company	
	2018 RM	2018 RM	2017 RM
Capital commitment to purchase of investment properties			
- Authorised and contracted for	275,035	275,035	-

41. Contingent liabilities

	Group	Company	
	2018 RM	2018 RM	2017 RM
<u>Secured</u> Bankers' guarantees issued in favour of third parties secured by deposits with licensed banks in respect of contract works	13,401,658	13,401,658	9,219,179

The directors are of the opinion that adequate allowance has been made in the financial statements for any possible liabilities.

42. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

The Group and the Company have related party relationship with their directors and key management personnel.

Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are show below. The related party balances are shown in Note 10 to the financial statements.

Compensation of key management personnel

The remuneration paid by the Group and the Company to key management personnel during the financial year are as follows:-

	Group	Company	
	2018 RM	2018 RM	2017 RM
<u>Directors</u>			
<u>Executive directors</u>			
Short-term employee benefits	2,072,944	2,072,944	1,269,047
Post-employment benefits:-			
- defined contribution plan - EPF	216,368	216,368	99,360
<u>Non-executive directors</u>			
Short-term employee benefits	180,000	180,000	170,025
	2,469,312	2,469,312	1,538,432

43. Events after the reporting period

- a) On 10 December 2018, Mercury Securities Sdn. Bhd. ("Mercury Securities") had announced on behalf of the Board of Directors of the Company that the Company proposed to undertake a special issue of up to 34,000,000 new ordinary shares in the Company to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry ("MITI"), at an issue price to be determined at a later date after obtaining all relevant approvals ("Special Issue"). The Special Issue is undertaken to comply with the Bumiputera equity condition of ensuring at least 12.5% of the Company's enlarged share capital to be allocated or held by Bumiputera investors recognised by the MITI. The Special Issue had been approved by the Company's shareholders on 3 January 2019.

On 10 December 2018, Mercury Securities had on behalf of the Company submitted an application to the Securities Commission Malaysia ("SC") for an extension of time of 6 months from 31 December 2018 to 30 June 2019 for the Company to comply with the Bumiputera Equity Condition. The SC had on 11 February 2019 approved the said application.

- b) On 25 February 2019, the directors declared the payment of an interim single-tier dividend of RM0.005 per ordinary share in respect of the financial year ending 31 December 2019 totalling RM1,600,000, payable on 4 April 2019.

44. Changes in accounting policy

Classification of financial assets and financial liabilities upon adoption of MFRS 9

The following table shows the initial measurement under MFRS 139 and the new measurement categories under MFRS 9 for each class of the Company's financial assets and liabilities as at 1 January 2018 based on the business model assessment done.

	Classification under MFRS 139	New classification under MFRS 9	Carrying amount under MFRS 139 RM	Carrying amount under MFRS 9 RM
Financial assets				
Trade receivables	Loans and receivables	Amortised cost	37,552,251	37,552,251
Contract assets	Loans and receivables	Amortised cost	13,515,262	13,515,262
Other receivables and deposits	Loans and receivables	Amortised cost	1,470,262	1,470,262
Deposits with licensed banks	Loans and receivables	Amortised cost	16,243,790	16,243,790
Cash and bank balances	Loans and receivables	Amortised cost	11,902,017	11,902,017
Financial liabilities				
Trade payables	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	21,479,971	21,479,971
Contract liabilities	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	8,200,982	8,200,982
Other payables and accruals	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	929,469	929,469
Borrowings	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	15,406,739	15,406,739

Trade receivables, contract assets, other receivables and deposits, deposits with licensed banks and cash and bank balances are reclassified from loan and receivables to amortised cost under MFRS 9. There are no changes in the allowance for impairment of trade receivables that was recognised in opening retained profits at 1 January 2018.

45. Comparative figures

- a) The following comparative figures have been reclassified to conform with the current period's presentation:-

	Company	
	As reclassified RM	As previously reported RM
Non-current assets		
Trade receivables	8,090,279	-
Current assets		
Trade receivables	29,461,972	27,552,251
Non-current liabilities		
Trade payables	3,538,220	-
Current liabilities		
Trade payables	17,941,751	21,479,971
Borrowings		
- Bank factoring	2,513,237	4,564,427
- Trade finance	2,051,190	-
Administrative expense	11,014,388	11,031,119
Finance costs	1,233,673	1,216,942
Employee benefits expense	6,680,683	7,899,076
Directors' emoluments	1,538,432	1,536,810

- b) The comparative figures were audited by another firm of auditors who expressed unmodified opinion on those statements on 19 March 2018.
- c) This being the first set of group financial statements, there are no comparative figures.

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Lai Keng Onn and Choong Gaik Seng, being two of the directors of Kejuruteraan Asastera Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 48 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2018 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Dato' Lai Keng Onn

Choong Gaik Seng

Kuala Lumpur,
Date: 28 March 2019

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Dato' Lai Keng Onn, NRIC: 680914-07-5853, being the director primarily responsible for the financial management of Kejuruteraan Asastera Berhad, do solemnly and sincerely declare that the financial statements set out on pages 48 to 115, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
at Kuala Lumpur
this 28 March 2019

Before me

Lai Din (W668)
Commissioner for Oaths

Dato' Lai Keng Onn

Location and address of property	Brief description and existing use	Land/ Built-Up Area (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition (A)/ Valuation (V)	Audited Net Book Value As At 31.12.2018 (RM)
PM 8456, Lot 101280, Mukim of Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur Property address: No.18, Jalan Radin Bagus 9, Bandar Baru Seri Petaling, 57000 Kuala Lumpur.	Three-storey shop office currently used as our Company's headquarters	N/A / 190 square meters	4	99-year leasehold, expiring on 5 April 2110 (i.e. remaining tenure of approximately 91 years as at Dec'18)	23 Mar 2017 (V)	4,118,380
HSD 13198, PT 8891, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor Darul Ehsan Property address: No. 86, Jalan Taming 5, Taming Jaya Industrial Park, 43300 Balakong, Selangor Darul Ehsan.	One and half storey terrace factory as warehouse	N/A / 222.96 square meters	2	Freehold	28 April 2017 (V)	1,256,667
GRN 190203, Lot 128236, Mukim Klang, Daerah Klang, Negeri Selangor Property address: Lot No.19 Gravit 8, PT 128236 Kota Bayu Emas/KS9, 42000 Pel. Klang, Selangor	Three storey Shop Office	N/A / 153 square meters	2	Freehold	18 May 2017 (A)	1,465,586
GRN 298284, Lot 62011, Mukim Pekan Country Height, Dareah Petaling, Negeri Selangor Darul Ehsan Property address: E-3-2 Subang Parkhomes Persiaran Kemajuan, 47500 Subang jaya, Selangor	Residential	N/A / 117.43 square meters	7	Freehold	6 May 2011 (A)	619,875
GRN Mukim 283, Lot 1098, Tempat Batu 8, Jalan Kuala Lumpur, Mukim Ceras Daerah Hulu Langat, Negeri Selangor Property address: B-19-07 Green Residence Condo, Jalan Sayang 1, Taman Rasa Sayang, 43200 Batu 9 Cheras, Selangor	Residential	N/A / 144.65 square meters	1	Freehold	1 June 2018 (A)	770,303

ANALYSIS OF SHAREHOLDINGS AS AT 22 MARCH 2019

Issued and Fully Paid-up Capital	:	RM32,000,000 divided into 320,000,000 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE

(AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
402	1 to 1,000	289,000	0.09
1111	1,001 to 10,000	5,080,900	1.59
785	10,001 to 100,000	31,131,300	9.73
159	100,001 to less than 5% of issued shares	99,498,800	31.09
2	5% and above of issued shares	184,000,000	57.50
2,459	Total	320,000,000	100.00

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS

(AS PER THE RECORD OF DEPOSITORS)

Name of Shareholders	No. of Shares Held	Percentage (%)
1. Lai Keng Onn	144,000,000	45.00
2. GAT Success (M) Sdn Bhd	40,000,000	12.50
3. Choong Gaik Seng	12,000,000	3.75
4. Lotus Win Sdn Bhd	12,000,000	3.75
5. Chong Ching Yee	5,495,000	1.72
6. UOBM Nominees (Tempatan) Sdn Bhd - UOBM for Faith Chow Poh Ten (PBM)	4,800,000	1.50
7. Yap Shuh Jian	3,670,000	1.15
8. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Yoong Kah Yin (MY2443)	3,140,000	0.98
9. Lim Gek Shan	2,424,200	0.76
10. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank For Tan Chin Hooi (MP0137)	2,050,000	0.64
11. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Solomon Tan Yiin Yuh	1,550,000	0.48
12. Ooi Sing Hwat	1,400,000	0.44
13. Neo Yiap Seng	1,382,300	0.43
14. Lim Lai Peng	1,293,000	0.40
15. Chu Ah Kim @ Chow Sin Thiam	1,210,000	0.38
16. Oan Yee Lai	1,200,000	0.38
17. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Tan Chee Hiang (E-SS2/KDA)	1,130,000	0.35
18. Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Gek Shan	1,008,600	0.32
19. Chan Pey Kheng	1,000,000	0.31
20. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank For Cheong Ho Leng (MY0083)	1,000,000	0.31

Name of Shareholders	No. of Shares Held	Percentage (%)
21. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Tan Eng Sia	1,000,000	0.31
22. Sim Seow Heng	1,000,000	0.31
23. Tan Lan King	1,000,000	0.31
24. Teng Chuan Heng	1,000,000	0.31
25. Lim Chee Wieh	837,000	0.26
26. Soh Teck Hock	820,000	0.26
27. Koh King Chiew	797,300	0.25
28. Tee Kim Gek	750,000	0.23
29. Dato' Ng Aik Kee	709,300	0.22
30. AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Loh Chai Keong (8125084)	700,000	0.22
Total	250,366,700	78.23

DIRECTORS' SHAREHOLDINGS

(AS PER THE REGISTER OF DIRECTORS SHAREHOLDINGS)

Name of Directors	No. of Shares Held			
	Direct	Percentage (%)	Indirect	Percentage (%)
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽ⁱ⁾	12.50
Choong Gaik Seng	12,000,000	3.750	-	-
Datin Chan Pey Kheng	1,520,000	0.475	-	-
Goh Kok Boon	300,000	0.094	-	-
Lu Chee Leong	100,000	0.031	-	-

Note:

⁽ⁱ⁾ Deemed interested through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS)

Name of Shareholders	No. of Shares Held			
	Direct	Percentage (%)	Indirect	Percentage (%)
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽ⁱ⁾	12.50
GAT Success (M) Sdn Bhd	40,000,000	12.50	-	-

Note:

⁽ⁱ⁾ Deemed interested through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of KEJURUTERAAN ASASTERA BERHAD will be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 9.00 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**
2. To approve the aggregate Directors' fees payable to the Directors of the Company for an amount not exceeding RM279,000.00 for the financial year ending 31 December 2019. **Resolution 1**
3. To re-elect the following directors who retire pursuant to Clause 127 of the Constitution of the Company:-
 - i) Choong Gaik Seng **Resolution 2**
 - ii) Lu Chee Leong **Resolution 3**
4. To re-elect the following directors who retire pursuant to Clause 132 of the Constitution of the Company:-
 - i) Goh Kok Boon **Resolution 4**
 - ii) Dato' Chan Chee Hong **Resolution 5**
5. To re-appoint Messrs Kreston John & Gan as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

Special Business

To consider and, if thought fit, to pass the following resolutions with or without modifications, as Ordinary/Special Resolutions of the Company:-

6. **Ordinary Resolution**
Authority to allot and issue shares **Resolution 7**

“**THAT** subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

7. **Special Resolution**
Proposed Alteration of the Constitution by replacing with a New Constitution Resolution 8
(“Proposed Alteration”)

“THAT the existing Constitution of the Company be hereby altered by replacing with a new Constitution as set out in the Appendix I attached to the 2018 Annual Report with effect from the date of passing this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/ or amendment as may be required or imposed by the relevant authorities.”

8. To transact any other business of the Company of which due notice is given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

JOANNE TOH JOO ANN (LS 0008574)
SIA EE CHIN (MAICSA 7062413)

Company Secretaries
Kuala Lumpur
Date: 16 April 2019

NOTES:

(i) NOTES ON APPOINTMENT OF PROXY

- a) A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) Proxy(ies) (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead.
- b) Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- c) The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor.
- d) An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Company’s Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, at least forty-eight (48) hours i.e. on or before 9.00 a.m., Tuesday, 14 May 2019, otherwise the person so named shall not be entitled to vote in respect thereof, or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote.
- e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.

- f) Where a member of the company is an exempt authorised nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.
- g) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 75 of the Constitution of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 9 May 2019 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.

(ii) EXPLANATORY NOTES

1. Item 1 of the Agenda – Ordinary Business Audited Financial Statements for the financial year ended 31 December 2018

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. Item 2 of the Agenda – Ordinary Business Payment of Directors’ Fees

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Proposed Resolution 1 is to facilitate the payment of Directors’ fees on a current financial year basis, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. Items 3(ii) and 4(ii) of the Agenda – Ordinary Business Re-election of Independent Directors

The Nominating Committee and the Board had undertaken an annual assessment on the independence of Lu Chee Leong who is seeking for re-election at the forthcoming Twenty-Second Annual General Meeting. The annual assessment had been disclosed in the Corporate Governance Overview Statement of the Company’s 2018 Annual Report.

The Nominating Committee and the Board had prior to the appointment, assessed the independence of Dato’ Chan Chee Hong who is seeking for re-election pursuant to Clause 132 of the Company’s Constitution at the forthcoming Twenty-Second Annual General Meeting.

4. Item 6 of the Agenda – Special Business Ordinary Resolution Authority to allot and Issue Shares

The Proposed Resolution 7 is for the purpose of granting a general mandate (“General Mandate”) and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company to issue share for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

**5. Item 7 of the Agenda – Special Business
Special Resolution
Proposed Alteration**

This proposed Special Resolution, if passed, will enable the Company to alter its existing Constitution by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Act relevant amendments of Chapter 7 and other Chapters of the ACE Market Listing Requirements of Bursa Securities and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to the Appendix I attached to the 2018 Annual Report.

PROPOSED ALTERATION OF THE EXISTING CONSTITUTION BY REPLACING WITH A
NEW CONSTITUTION

**COMPANIES ACT 2016
MALAYSIA**

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

**KEJURUTERAAN ASASTERA BERHAD
(COMPANY NO. 420505-H)**

(Incorporated on 24th day of February, 1997)

Companies Act 2016
Public Company Limited by Shares

Constitution of
KEJURUTERAAN ASASTERA BERHAD

Name of Company

1. The name of the Company is Kejuruteraan Asastera Berhad. *Company name*

Registered Office

2. The registered office of the Company is situated in Malaysia. *Registered office*

DEFINITIONS AND INTERPRETATION

Definitions

3. In this Constitution: *Definitions*

“Act”	Means the Companies Act 2016, as amended, substituted or re-enacted from time to time.
“Annual General Meeting”	Means a meeting of the Company required to be held pursuant to Section 340 of the Act.
“Auditors”	Means the auditors of the Company.
“Board” or “Board of Directors”	Means the board of directors for the time being of the Company.
“Board Meeting”	Means a meeting of the Directors of the Company.
“Bursa Securities”	Means Bursa Malaysia Securities Berhad.
“Central Depositories Act”	Means the Securities Industry (Central Depositories) Act 1991 and regulations made thereunder, as amended or re-enacted from time to time.
“Company”	Means Kejuruteraan Asastera Berhad.

“Company’s Documents”

Including, but not limited to any of the following documents that may be issued by the Company from time to time:

- (a) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission:
 - (i) Notices relating to General Meetings, instrument appointing a proxy (including electronic proxy appointment and voting manner), annual reports, audited financial statements, circular to shareholders, notices to holders of Securities, prospectus, information memorandum, notice of resolution, statement and other documents relating thereto;
 - (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;
 - (iii) Other publication concerning the Company; and/or
 - (iv) All written communications.
- (b) In respect of a Director:
 - (i) Notices relating to meetings of Board and Board committees and other documents relating thereto;
 - (ii) Notices relating to General Meetings, annual reports, audited financial statements, circular to shareholders, and other documents relating thereto;
 - (iii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;

- (iv) Other publication concerning the Company; and/or
 - (v) All written communications.
- (c) In respect of the Auditors:
- (i) Notices relating to General Meetings, audited financial statements, and other documents relating thereto;
 - (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.
- (d) In respect of a holder of Debt Securities:
- (i) Notices relating to meeting of Debt Securities holders, audited financial statements, notices to Debt Securities holders and other documents relating thereto;
 - (ii) All other documents as required under the trust deed governing an issue of Debt Securities, Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.

"Constitution"	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
"Debt Securities"	Means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
"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.

“Depositor”	Means a holder of a Securities Account.
“Depository”	Means Bursa Malaysia Depository Sdn Bhd.
“Directors”	Means the directors for the time being of the Company (inclusive of alternate or nominee directors).
“Event of Transmission”	Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
“General Meeting”	Means a meeting of Members of the Company.
“Joint Holder”	In respect of a Security (other than Deposited Security), means two (2) or more persons are jointly entitled to any Security in the Company.
“Jumbo Certificate”	In relation to a Deposited Security, means a certificate comprising not less than fifty thousand (50,000) units of Securities of the Company or such denominations as may be directed by the Depository which is registered in the name of the Depository or its nominee company, as nominee for Depositors.
“Listed Deposited Security”	Means a Deposited Security quoted on the official list of Bursa Securities.
“Listing Requirements”	Means ACE Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
“Member”	Means: (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.

“Office”	Means the registered office of the Company.
“Officer”	Means any Director, Secretary or employee of the Company.
“Record of Depositors”	Means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
“Register of Members”	Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
“Registrar”	Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
“Representative of Member”	Includes any of the following persons: (a) Representative appointed by a corporation which is a Member; or (b) Attorney appointed by the Member by a power of attorney.
“Rules”	Means the Rules of Depository, including any amendment that may be made from time to time.
“Seal”	Means the common seal of the Company.
“Secretary”	Means a secretary of the Company appointed under Section 236 of the Act.
“Security” or “Securities”	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“Securities Account”	Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
“Shareholder”	Means a holder of one or more share(s) in the Company.
“Unlisted Deposited Security”	Means a Deposited Security other than Listed Deposited Security.

Interpretation

4. (1) Expressions referring to writing include, unless the contrary intention appear, references to printing, lithography, photography *Interpretation*

and other modes of representing or reproducing words in a visible form.

- (2) Words importing the singular number only shall include the plural number, and vice versa.
- (3) Words importing the masculine gender only shall include the feminine gender.
- (4) Words importing persons shall include corporations.
- (5) Unless the context requires otherwise, other words and expressions contained in this Constitution shall bear the same meaning as in the Act when this Constitution becomes effective and binding on the Company.

TYPE AND PURPOSE OF COMPANY

Type of Company

5. (1) The Company is a public company limited by shares. *Public company*
- (2) The liability of the Members is limited to the amount, if any, unpaid on shares held by the Members. *Members' liability*

Purpose of Company

6. (1) The principal objects for which the Company is established are: *Objects*
 - (a) To carry out and conduct all or any of the business of electrical and mechanical and engineering services provider, property developer and construction, to act as developer, builder, contractor and sub-contractor of and for all buildings, erections and properties, to repair, to install, to maintain, to construct, build, operate, pull down, rebuild, enlarge, alter, convert, improve and restore either alone or jointly with other contractor, companies or persons buildings, erections and properties of all descriptions and carry out works of any kind including water, gas, electrical, mechanical and other works, and to carry on any other business in connection with the above mentioned business.
- (2) Without derogating from the generality of this Clause, the Company shall have the full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Act, subject always to the requirements of any applicable laws and regulations. *Legal capacity and powers of the Company*

SECURITIES

Classes of Shares

7. (1) The capital of the Company shall consist of ordinary shares. *Ordinary shares*
- (2) A holder of ordinary share(s) shall have the following voting rights: *Rights of ordinary shares*
- (a) Right to vote on a show of hands to one (1) vote on any resolution of the Company; and
- (b) Right to vote on a poll to one (1) vote for every share held on any resolution of the Company.

Variation of Rights

8. (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied: *Variation of rights*
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that: *Quorum for Class Meeting*
- (a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares; *Class Meeting*
- (b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and
- (c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class. *Adjourned Class Meeting*

- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by: *Variation of rights of existing preference shares*
- (a) the terms of the issue of the existing preference shares; or
- (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Records of Members

9. (1) The records of Members of the Company comprise the following: *Records of Members*
- (a) Record of Depositors; and/or
- (b) Register of Members.
- (2) In relation to Deposited Securities, a Depositor whose name appears in the Record of Depositors maintained by the Depository in accordance with Section 34 of the Central Depositories Act in respect of the Securities of the Company which have been deposited with the Depository shall be deemed to be a shareholder, debenture holder or option holder of the Company, as the case may be, and shall, subject to the provisions of the Central Depositories Act and any regulations made under that Act, be entitled to the number of securities stated in the Record of Depositors. *Record of Depositors*
- (3) In relation to non-Deposited Securities, the Company shall: *Register of Members*
- (a) maintain a Register of Members at its Office or such other place as may be determined by the Directors from time to time; and
- (b) record the particulars of the Members as prescribed under Section 50 of the Act in the Register of Members.
- (4) The Company shall use the address of a Member in the Record of Depositors or Register of Members (as applicable) for the purpose of delivering Company's Documents and such address may be any one or more of the following: *Address*
- (a) a residential address;
- (b) a postal address;
- (c) a registered office (if the Member is a corporation);

- (d) a business address;
 - (e) an email address;
 - (f) a facsimile number; and/or
 - (g) contact details as provided by the Depositor to the Depository.
- (5) (a) In relation to Deposited Securities, a Depositor must notify the Depository from time to time of any change of his particulars or such information as required under the Rules. *Notification of change of particulars of Record of Depositors*
- (b) In relation to non-Deposited Securities, each Member must notify the Company as soon as practicable (in any event no later than fourteen (14) days) of any change of his particulars to enable the Company to record such change in the Register of Members and notify the Registrar within the aforesaid timeline as stipulated in the Act. *Notification of change of particulars of Register of Members*

Certificates of Shares or Debentures

10. (1) The Company may, as required by the Depository, issue a Jumbo Certificate in the name of the Depository or its nominee company, as nominee for Depositors, for the Deposited Securities issued by the Company from time to time. *Issuance of Jumbo Certificate*
- (2) In relation to non-Deposited Securities:
- (a) every person whose name is entered as member in the Register of Members or holder in the register of debenture holders shall be entitled without payment to receive a certificate in respect of the shares or debentures issued under the Seal in accordance with the Act. *Issuance of share / debenture certificate*
 - (b) in respect of shares or debentures held jointly by several persons, the Company is not bound to issue more than one (1) certificate for such shares or debentures, and delivery of a certificate for shares or debentures to one (1) of several Joint Holders is sufficient delivery to all such holders. *Issuance of share / debenture certificate to Joint Holders*
 - (c) if a certificate of shares or debentures is worn out, defaced, lost or destroyed, it may be re-issued on payment of a fee not exceeding RM50.00 on the *Loss or destruction of share / debenture*

application by the Shareholder or debenture holder. The Directors may, at its absolute discretion and as they think fit, impose such terms and requirements (if any) as to evidence and indemnity and payment of out-of-pocket expenses of the Company incidental to the investigation, and in the case of defacement or wearing out, on delivery of the old certificate. *certificate*

Beneficial Ownership of Shares

11. (1) Except as required by law, the Central Depositories Act, the Rules or pursuant to any order of the Court, no person is to be recognised by the Company as holding any share upon any trust. *Trust*
- (2) Except as required by law, this Constitution, the Central Depositories Act, the Rules or pursuant to any order of the Court, the Company is not bound by or compelled in any way to recognise or enter into the Register of Members or Record of Depositors: *Not compelled to recognise trust*
- (a) any equitable, contingent, future or partial interest in any share or unit of a share; or
- (b) any other rights in respect of any share or unit of share,
- other than the registered holder's rights to the entirety of the share or unit of share.
- (3) Clause 11(2) applies even when the Company has notice of any interest or right (including notice of any trust expressed, implied or constructive in this regard) referred to in Clauses 11(2)(a) or (b). *Notice of interest or right*

DEALING IN SECURITIES

Issue of Securities

12. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to: *Allotment of shares or grant of rights*
- (a) issue and allot shares in the Company; and
- (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription) *Pre-emptive rights shall not apply*

of such shares):

- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine.

- (3)
 - (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to 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. *Issue of new shares or securities to Members*
 - (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
 - (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

- (4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue. *General mandate for issue of securities*

- (5)
 - (a) The Company may pay commission (including brokerage) subject to the following: *Permitted commission*

(i) the commission shall not exceed the rate of ten percent (10%) of the price at which the shares in respect whereof the same is paid are issued; or

(ii) the commission shall not exceed an amount equal to ten percent (10%) of that price,

whichever is lesser;

(b) The rate of commission shall be disclosed in the manner prescribed in the Act; and

(c) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(5), commission includes brokerage and the rates referred to in Clause 12(5)(a) shall not apply to brokerage.

(6) Subject 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 construction of the works, buildings or the provision of any plant.

Power of Company to pay interest out of capital in certain cases

Transfer and Transmission of Securities under the Central Depository System

13. Clauses 14 and 15 shall apply to Deposited Securities.

Application

Transfer of Securities

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

Transfer of securities

Transmission of Securities

15. Where:

Transmission of securities

(a) the Securities of the Company are listed on another stock exchange; and

- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

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

Transfer and Transmission of Shares or Debentures

16. Clauses 17 to 23 shall apply to non-Deposited Securities. *Application*

Transfer of Shares or Debentures

17. (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act. *Instrument of transfer*
- (2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee. *Execution of instrument of transfer*
- (3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively. *Effect the transfer of shares or debentures*
18. (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company: *Items for transfer of shares or debentures*
- (a) the instrument of transfer duly executed and stamped;
- (b) the certificate of the shares or debentures which the instrument of transfer relates; and
- (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable). *Approval of registration*
19. (1) The Directors may decline or delay to register the transfer of *Refusal of*

shares within thirty (30) days from the receipt of the instrument of *registration*
transfer if:

- (a) the shares are not fully paid shares;
- (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
- (c) the Company has a lien on the shares; and/or
- (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.

- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors. *Notification to transferor and transferee*

20. On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year. *Closing the Register of Members or Register of Debenture Holders*

Transmission on Death

21. In case of the death of a Member or debenture holder, the only persons recognised by the Company as having any title to the interest of the deceased Member or debenture holder in the shares or debentures respectively shall be: *Transmission on death*

- (1) the survivor(s), where the deceased Member or debenture holder was a Joint Holder; and
- (2) the legal personal representatives of the deceased Member or debenture holder, where the deceased Member or debenture holder was a sole holder,

but nothing herein contained 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.

Transmission by Operation of Law

22. (1) Any person becoming entitled to a share or debenture in *Registration of*

- consequence of an Event of Transmission may, upon such evidence being produced as is properly required by the Directors, and subject as hereinafter provided, elect either to register himself as the holder of the share or debenture or to have some other person nominated by him registered as the transferee of the shares or debentures. *transmission*
- (2) If the entitled person elects to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Elects to register himself as holder*
- (3) If he elects to have another person registered, he shall execute an instrument of transfer of the share or debenture in favour of that person. *Elects to register other person as the holder*
- (4) All limitations, restrictions and clauses of this Constitution relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as if the Event of Transmission had not occurred and the notice or transfer were a transfer signed by that Shareholder or debenture holder. *Limitations, restrictions and clauses relating to transfer of shares or debentures shall apply to transmission*
23. (1) Upon an Event of Transmission and the receipt by the Company of the relevant notification as required under the Act together with such documentary evidence as required by the Directors from the person who is entitled to the title to the relevant shares or debentures, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from its receipt of the notification (together with the required documentary evidence). *Entitled to the same rights as the registered holder*
- (2) The registration of transmission of shares or debentures under Clause 23(1) 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), as the registered holder would have been entitled to if the registered holder had not suffered an Event of Transmission.
- (3) Where two (2) or more persons are jointly entitled to any shares or debentures in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be Joint Holders of the shares or debentures. *Joint Holder*

Lien on Shares

24. (1) The Company has a first and paramount lien on every share for: *Lien on shares*
- (a) any amount due or unpaid in respect of the share which has been called or is payable at a fixed date and/or time;

- (b) all amounts that the Company may be called on by law to pay in respect of the share; and/or
 - (c) any reasonable interest in respect of the unpaid amounts on the share and reasonable expenses incurred by the Company in respect of receiving unpaid amounts on the share.

- (2) The Company's lien, if any, on a share extends to all dividends payable in respect of the share which may be retained and applied towards the satisfaction of any or all amounts due to the Company in respect of which the lien exists. *Dividends payable may be used for satisfaction of the amount due*

- (3) The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to: *Company's lien on shares and dividends*
 - (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid,
 - (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
 - (c) such amounts as the Company may be called upon by law to pay, and has paid, in respect of the shares of the Member or deceased Member.

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

- (4) The Directors may at any time declare a share to be wholly or partly exempt from Clauses 24(1) or (2), or both. *Exemption*

- 25. No person is entitled to exercise any rights or privileges as a Member until the Member has paid all calls, instalments of calls and other moneys (including interest and expenses) for the time being payable in respect of which the lien exists. *Rights or privileges of a Member*

- 26. The registration of a transfer of a share approved by the Directors shall operate as a waiver of the Company's lien over the share. *Registration of transfer*

- 27. (1) Subject to Clause 27(2), the Company may sell, in any manner as the Directors think fit and appropriate, any shares over which the Company has a lien. *Sale of shares under lien*

- (2) A share on which the Company has a lien shall not be sold unless: *Enforcing sale of shares under lien*
 - (a) a sum in respect of which the lien exists is presently payable; and

- (b) the Company has, not less than fourteen (14) days before the date of the sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder of the share, a notice in writing stating and demanding payment of such part of the amount in respect of which the privilege or lien exists and is presently payable.
28. (1) To give effect to any sale of shares under Clause 27, the Directors may authorise a person to transfer the shares sold to the purchaser of the shares. *Give effect to any sale of shares*
- (2) The Company shall register the purchaser 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. *Register the purchaser as the holder*
- (3) The title of the purchaser to the shares shall not be affected by any irregularity or invalidity in the proceedings relating to the sale of the shares. *Title of the purchaser*
29. The proceeds of a sale of shares under Clause 27 shall be received and applied by the Company in payment first of the expenses of the sale, then of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall (subject to any similar lien for sums not presently payable that exists over the shares before the sale) be paid to the person entitled to the shares as at the date of the sale. *Proceeds of sale of shares*

Calls on shares

30. (1) The Directors may from time to time make calls upon the Shareholders in respect of any money unpaid on the shares of the Shareholders and not by the conditions of the allotment of the shares made payable at fixed date, provided that: *Directors to make calls*
- (a) no call shall exceed one-fourth ($\frac{1}{4}$) of the issue price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call; and
- (b) each Shareholder shall, upon receiving at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the Company (at the time or times and place specified in the notice) amount called on the Shareholder's shares.
- (2) The Joint Holders of a share shall be jointly and severally liable to pay all calls in respect of their shares. *Joint Holder*
- (3) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. *Board's resolution authorising*

- | | | |
|-----|---|---|
| | | <i>the call</i> |
| | (4) A call may be revoked or postponed as the Directors may determine. | <i>Directors may revoke or postpone call</i> |
| 31. | (1) If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due shall pay interest on that sum from the appointed day for payment to the time of actual payment at a rate not exceeding eight percent (8%) per annum as the Board may determine. | <i>Interest on late payment</i> |
| | (2) The Board may waive payment of any such interest in whole or in part. | <i>Waiver of interest</i> |
| 32. | (1) 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 such sum becomes payable. | <i>Sum becomes due and payable</i> |
| | (2) In the case of non-payment of such sum, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | <i>Non-payment of such sum</i> |
| 33. | (1) The Company may accept from any Shareholder the whole or a part of the amount unpaid on a share although no part of that amount has been called up. | <i>Advance from shareholder</i> |
| | (2) The Company may make arrangements on the issue of shares for varying the amounts and times of payment of calls as between Shareholders. | <i>Arrangement to vary the amount and payment</i> |
| | (3) Upon all or any part of the money advanced by Shareholder (for all or any part of the money uncalled or unpaid upon the shares held by such Shareholder) received by the Directors from the Shareholder become payable, the Directors may authorise the Company to pay interest or return at a rate not exceeding eight percent (8%) per annum as may be agreed upon between the Directors and the Shareholder paying the sum in advance (unless the Company in a General Meeting otherwise directs). | <i>Interest on advance</i> |
| | (4) However, the Company may not pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others. | |

Forfeiture of Shares

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| 34. | (1) If a Shareholder fails to pay any call or instalment of a call on or before the day appointed for the payment of the call or instalment, the Directors may serve a notice on the Shareholder requiring payment of the amount unpaid, together with interest at such rate | <i>Notice of forfeiture of shares</i> |
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- not exceeding eight percent (8%) per annum as the Directors shall determine.
- (2) The notice shall specify a date (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment is required to be made and the notice 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. *Contents of notice*
35. (1) If the requirements set out in the notice served under Clause 34 are not complied with, the shares in respect of which such notice has been given shall be forfeited by a resolution of the Directors to that effect, unless the required payment is made before such resolution. *Passing of Directors' resolution to forfeit the shares*
- (2) A forfeiture of shares as referred to in Clause 35(1) above shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. *Forfeiture including all dividends declared*
36. 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 of the forfeited shares, the forfeiture may be cancelled on such terms as the Directors think fit. *Forfeited share may be sold, reissued or otherwise*
37. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs. *Sale of shares forfeited*
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares. Notwithstanding that, such person shall remain liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the shares (together with interest or compensation at the rate of eight percent (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation). Liability of the person shall cease if and when the Company receives payment in full of all the money (including interest or compensation) so payable in respect of the shares. *Cessation of Member in respect of forfeited shares*
39. A statutory declaration in writing by a Director or Secretary that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. *Statutory declaration*
40. (1) The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the shares and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. *Consideration of the forfeited shares*
- (2) Upon the execution of the transfer of the share, the transferee shall be registered as the holder of the share and the Company shall not
- Transfer of forfeited*

- be bound to see to the application of the purchase money (if any). *shares*
- (3) The title of the transferee to the share is not affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, sale or disposal of the share. *Title of the transferee*
41. The provision of this Constitution as to forfeiture of shares shall apply in the case of non-payment of any sum that, by the terms of issue of a share, become payable to the Company at a fixed date as if that sum of the shares had been payable by virtue of a call duly made and notified. *Provision of forfeited shares*

Conversion of shares into stock

42. The Company may by ordinary resolution passed at a General Meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Sections 84(1)(b) and 86 of the Act. *Conversion of shares into stock and vice versa*
43. (1) The stockholders may transfer their stock or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow. *Stock is transferable*
- (2) The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum. *Directors' powers*
44. (1) The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose. *Rights of stockholders*
- (2) However, no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such part of stock which would not, if existing shares have conferred that privilege or advantage. *Participation in dividends and profits*
45. For the purpose of Clauses 42 to 44, any reference in this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively. *Reference*

Alteration of Capital

46. (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the *Consolidation of shares*

subdivided share is derived; or

- (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived. *Subdivision of shares*
- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
- (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or *Cancellation of shares*
- (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained. *Reduction of share capital*
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof. *Purchase of own shares*

PASSING OF RESOLUTIONS OF MEMBERS

Passing of Resolutions of Members

47. The Company may pass a resolution of the Members or of a class of Members at a meeting of the Members. *Passing a Members' Resolution*

MEETINGS OF MEMBERS

Convening General Meetings

48. (1) The Company shall hold an Annual General Meeting in every calendar year pursuant to Section 340 of the Act to transact the following ordinary business: *Annual general meeting*
- (a) The laying of audited financial statements and the reports of the Directors and Auditors; *Ordinary business*
- (b) The declaration of dividend (if any);

- (c) The election or re-election and the fixing of the fees and benefits of the Directors;
 - (d) The appointment and the fixing of the fees and benefits of the Directors; and
 - (e) The appointment or re-appointment and the fixing of the remuneration of the Auditors.
- (2) All businesses (except for those set out under Clause 48(1)) shall be special that is transacted at an Annual General Meeting and also that is transacted at other General Meeting. *Special business*
49. Subject to Clause 48, all meetings of Members shall be called General Meetings. *General Meetings*
50. The Board: *Board to convene General Meeting*
- (1) may, whenever it thinks fit, convene a meeting of the Members; and
 - (2) shall convene a General Meeting on the request of the Members pursuant to Section 311 of the Act.
51. A General Meeting may be requisitioned by: *Members to requisite a General Meeting*
- (a) any Member(s) holding at least ten percent (10%) of the issued and paid up share capital of the Company pursuant to Sections 310(b) and 311(3)(a) of the Act; or
 - (b) any of the Members representing more than one half of the total voting rights of all of the Members who requisitioned the General Meeting pursuant to Section 313(1) of the Act.
- Notice of General Meetings**
52. (1) A notice of a General Meeting must specify the following: *Contents of Notice of General Meeting*
- (a) the place, date and time of the General Meeting;
 - (b) the general nature of the business of the General Meeting; and
 - (c) the text of any proposed resolution and other information as the Directors think fit.
- (2) If the General Meeting is to be held in two (2) or more places, the notice of the General Meeting shall specify the technology or *General Meeting held*

- method that will be used to facilitate the General Meeting. *at two (2) or more venues*
- (3) The main venue of the General Meeting shall be in Malaysia and the chairperson shall be present at that main venue of the General Meeting. *Main venue*
53. (1) The notices convening General Meetings shall specify the place, day and hour of the General Meeting, and shall be given to all Shareholders at least fourteen (14) days before the General Meeting or at least twenty-one (21) days before the General Meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Any notice of a General Meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the Annual General Meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed. *Notice of General Meetings*
- (2) The notice of General Meeting shall exclude the date of issuing the notice and the date of the General Meeting.
- (3) An Annual General Meeting may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by all the Members entitled to attend and vote at the General Meeting.
- (4) The technology to be used for the purpose of this Clause must allow the Members who participate in the physical and/or virtual General Meeting to communicate simultaneously with the chairperson, Directors, other Members and advisers (if any) taking part in the main venue of the General Meeting and such technology may include telephone, television, video conferencing, or any other telecommunication or digital methods which permits instantaneous communication. *Technology to be used for physical and/or virtual General Meeting*
- (5) Subject to the Act, the Listing Requirements and other applicable laws and regulations, the physical and/or virtual General Meeting shall be deemed to constitute a General Meeting and all provisions of this Constitution relating to General Meetings shall apply to any physical and/or virtual General Meeting provided the following conditions are met: *Conditions for physical and/or virtual General Meeting*
- (a) All the Members for the time being entitled to receive notice of the General Meeting shall be entitled to receive notice of the physical and/or virtual General Meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as determined by the Board of Directors and permitted by this Constitution; and
- (b) The Members who attend the General Meeting remotely

may participate, speak and vote at the physical and/or virtual General Meeting provided that the remote locations should leverage on technology to facilitate voting, including voting in absentia and remote shareholders' participation at the physical and/or virtual General Meeting.

- (6) A General Meeting, other than an Annual General Meeting and a General Meeting for passing of a special resolution, may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by a majority in the number of the Members who collectively hold not less than ninety-five percent (95%) of the total number of shares giving the rights to attend and vote at the General Meeting, excluding any shares in the Company held as treasury shares. *Shorter notice*
54. Notice of every General Meeting shall be given in the manner authorised by Clause 127 to:
- (1) every Member (including any person who is 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);
- (2) every Director; and
- (3) the Auditors. *Persons entitled to receive notice of General Meeting*
55. (1) In relation to Deposited Securities, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of General Meetings shall be given by the Company. *Record of Depositors*
- (2) The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting ("General Meeting Record of Depositors").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

Quorum for General Meetings

56. (1) No business is to be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. *Quorum*

- (2) Two (2) Members personally present at a meeting or by proxy or by Representative of Member shall constitute a quorum. *More than one (1) Member*
- (3) For the purpose of constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member; *Corporate representative*
- (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member; or *Proxy*
- (c) the presence of one (1) or more Joint Holders shall be counted as one (1) Member. *Joint Holders*

No Quorum

57. If a quorum is not present within half an hour after the time appointed for a General Meeting: *Quorum is not present*
- (1) where the General Meeting was convened upon the requisition of Members, the meeting shall be dissolved; or *Requisition of Member*
- (2) in any other case: *Other case*
- (a) if no determination is made by the Directors, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; or *Adjournment of General Meeting*
- (b) the General Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; and
- if at the adjourned General Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Member present shall form a quorum. *Adjourned General Meeting*

Chairperson of General Meetings

58. The chairperson of a General Meeting is:
- (1) where the Board has appointed a chairperson or deputy chairperson amongst the Directors, the Chairperson of the Board; or *Chairperson of the Board*
- (2) where:
- (a) the Chairperson of the Board is unable or unwilling to act *Members to appoint Chairperson of General*

as the chairperson of the General Meeting;

Meeting

(b) the Chairperson is not present within fifteen (15) minutes after the time appointed for the holding of the General Meeting; or

(c) the Board has not appointed a chairperson amongst the Directors,

the Members present shall elect one of their Members present to be the chairperson of the General Meeting.

(3) For avoidance of doubt, a proxy or Representative of Member may be elected as the chairperson of the General Meeting by a resolution passed at the meeting.

Adjournment of General Meetings

59. (1) The chairperson shall adjourn a General Meeting, at which a quorum is present, from time to time and from place to place if the Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. *Members' consent is required*
- (2) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place (referred to as the "Original General Meeting"). *Only transact the business left unfinished at the General Meeting*
- (3) There is no need to give any notice of an adjourned General Meeting or of the business to be transacted at an adjourned General Meeting unless the adjourned General Meeting is to be held thirty (30) days or more after the date of the Original General Meeting or otherwise as the chairperson directs. *Notice of adjourned General Meeting*

Voting by Show of Hands

60. (1) Subject to the Listing Requirements, at a General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is demanded before or on the declaration of the result of the show of hands. *By show of hands*
- (2) On a vote on a resolution at a General Meeting on a show of hands, a declaration by the chairperson that a resolution has been passed unanimously, or with a particular majority, or is lost, and an entry to that effect in the minutes of the proceeding shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. *Declaration by the chairperson*

Voting by Poll

61. (1) A poll may be demanded: *Demand a poll*
- (a) by the chairperson;
 - (b) by at least three (3) Members present in person or by proxy;
 - (c) by any Member or Members present in person or by proxy and representing not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) by a Member or Members holding shares in the Company conferring a right to vote at the General Meeting being shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total paid up shares conferring that right.
- For purposes of this Clause, references to “Member” shall include Representative of Member.
- (2) The demand for a poll may be subsequently withdrawn. *Withdrawal of a demand for poll*
- (3) Subject to Clause 61(4), if a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs. *When a poll is to be held*
- (4) No poll shall be demanded on the election of a chairperson of a General Meeting or on a question of adjournment of a General Meeting. *No poll on election of chairperson or adjournment*
- (5) When a poll is properly demanded, the earlier vote by a show of hands shall be superseded by the result of the poll and the result of the poll shall be the resolution of the General Meeting at which the poll was demanded. *Result of the poll*

Casting Vote

62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote. *Chairperson shall have a casting vote*

Voting Entitlement

63. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (1) at meetings or class meetings of Members, each Member entitled *Voting by*

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| | to vote may vote in person or by a proxy or by Representative of Member; | <i>Member</i> |
| (2) | on a vote by way of show of hands, every Member who is present in person or by proxy or Representative of Member has one (1) vote; | <i>Voting by a show of hands</i> |
| (3) | on a vote by way of poll, every Member who is present in person or by proxy or by Representative of Member shall have one (1) vote for each share or stock the Member holds; and | <i>Voting by poll</i> |
| (4) | in the case of Joint Holders, the joint holders shall be considered as one (1) Member. | <i>Voting by Joint Holders</i> |
| 64. | For the purposes of Clause 63(2): | <i>Votes by proxy</i> |
| (1) | where a Member entitled to vote on a resolution has appointed a proxy, the proxy shall be entitled to vote on a show of hands, provided that he is the only proxy appointed by the Member; | <i>May vote by show of hands if one proxy is appointed</i> |
| (2) | where a Member entitled to vote on a resolution has appointed more than one (1) proxy, | <i>May only vote on a poll if more than one (1) proxy appointed</i> |
| | (a) the proxies shall only be entitled to vote on a poll; and | |
| | (b) the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy; and | |
| (3) | in respect of Clause 64(1), where the shares of the Company are quoted on a stock exchange and if a Member entitled to vote on a resolution has appointed more than one (1) proxy, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange. | <i>Exception</i> |
| 65. | For the purposes of Clause 63(4), if the Joint Holders purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the Joint Holders do not purport to exercise the power in the same way, the power is treated as not exercised. | <i>Votes of Joint Holders of shares</i> |
| 66. | For the purposes of Clause 63, when a corporate Member appoints more than one (1) representative, if its representatives purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the representatives do not purport to exercise the power in the same way, the power is treated as not exercised. | <i>Votes of corporate representative of shares</i> |

Voting Restrictions

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| 67. | If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed | <i>Member is of unsound mind</i> |
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under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members as if the committee, trustee or other person were the Member.

68. No member is entitled to attend and vote at any General Meeting unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid. *Calls unpaid*

Objection to Votes

69. (1) An objection may be raised to the qualification of a voter only at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered. *Objection to qualification of a voter*
- (2) Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision is final and conclusive. *Any objection shall be referred to the chairperson*
- (3) A vote not disallowed pursuant to an objection at the General Meeting is valid for all purposes. *Vote not disallowed*

PROXIES / REPRESENTATIVES OF MEMBERS

General

70. (1) A Member of the Company may appoint a proxy and/or Representative of Member to exercise his rights to attend, participate, speak and vote for the Member at a General Meeting. A proxy may but need not be a Member of the Company. *Proxy / Representative of Member*
- (2) Subject to the Act and this Constitution, a proxy or Representative of Member is only entitled to vote: *Entitlement to vote*
- (a) if the Member is entitled to vote;
- (b) if the Member is not personally present at the General Meeting;
- (c) if the Member has complied with the requirements set out in this Constitution to properly appoint a proxy or Representative of Member and to give notice of such appointment to the Company;
- (d) if the Member has conferred a right to vote on the proxy or Representative of Member; and
- (e) the appointment of proxy or Representative of Member was not revoked by the Member by a notice of revocation forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such

other time that may be determined by the Directors and the said revocation must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.

- (3) A proxy or Representative of Member may vote, whether on a show of hands or on a poll, on any question at any General Meeting and to the extent permitted under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. *May vote by a show of hands or on a poll*

Proxies

71. (1) An instrument appointing a proxy: *Manner of execution of instrument appointing a proxy*
- (a) must be in writing and executed by or on behalf of the appointing Member in substantially the form and in the manner as specified in “Appendix A” annexed hereto or in such other permitted form (including the electronic proxy appointment and voting manner) as the Board of Directors may determine from time to time;
- (b) will not be invalid merely because it omits any particulars of the proxy and the appointing Member; and
- (c) will be deemed to have appointed the Chairperson of the General Meeting as the proxy of the appointing Member where no other person has been named to act as proxy.
- (2) An instrument appointing a proxy may: *Form of instrument of proxy*
- (a) specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument;
- (b) specify the proportion or number of votes that the proxy may exercise; and/or
- (c) be a specific appointment for a particular meeting.
- (3) An 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 :
- (a) shall be deemed to confer authority to demand or join in demanding a poll; *Confer authority to demand a poll*
- (b) shall be deposited at the Office or at such other place in *Time limit to deposit*

Malaysia as is specified in the notice convening the General Meeting or adjourned General Meeting, at which the person named in the instrument proposes to vote: *instrument appointing a proxy*

(i) not less than forty-eight (48) hours before the time for holding the General Meeting or adjourned General Meeting; or

(ii) in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; and

(c) may be accepted if it is:

(i) transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member; or

(ii) authenticated in any document given to the Company by electronic means which shows the validity of the appointment of a proxy.

Execution by electronic or digital signature or authentication of an appointment by electronic means

(4) In Clause 71(3), documents relating to proxies include:

Documents relating to proxies

(a) the appointment of a proxy in relation to a General Meeting;

(b) any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy; and

(c) notice of the revocation of the authority of a proxy.

(5) For the purposes of Clause 71(3), delivery may be effected by:

Manner of delivery

(a) physical delivery of the document;

(b) delivery by facsimile transmission;

(c) delivery by email transmission; or

(d) lodging electronic document,

to the place, facsimile number, electronic address or the designated website link or address (where applicable) as specified in the notice of General Meeting.

(6) The proceedings at a General Meeting shall not be invalidated where an appointment of proxy in respect of that General Meeting is sent in electronic form, but cannot be read by the Company due

to technical problems or other reasons.

- (7) If a Member is entitled to cast two (2) or more votes at a General Meeting, the Member: *Member with two (2) or more votes*
- (a) may appoint up to two (2) proxies; and
 - (b) must specify the proportion or number of the Member's votes each proxy may execute.
- (8) (a) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. *Appointment of multiple proxies*
- (b) An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (9) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. *Appointment of proxy by authorised nominee*
- (10) When two (2) or more valid but differing appointments of a proxy are received by the Company in respect of the same share for use at the same General Meeting, the one which is last received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other as regards that share. If the Company is unable to determine which appointment was last received, none of them shall be treated as valid in respect of that share. *Differing Appointment of Proxy*
- (11) For the avoidance of doubt, the appointment of a proxy shall not preclude a Member from attending and voting in person at a General Meeting.
72. (1) Subject to Clause 72(2), a vote given in accordance with the terms of an instrument of proxy is valid despite: *Validity of a vote*
- (a) the previous death or unsound mind of the appointing Member;
 - (b) the revocation of the instrument or of the authority under which the instrument was executed; or
 - (c) the transfer of the share in respect of which the instrument or power is given.

- (2) Clause 72(1) does not apply if an instrument in writing of such:
- (a) death, unsound mind or transfer has been received by the Company before the commencement of the General Meeting or adjourned General Meeting at which the instrument is used; or
 - (b) revocation by the Member was not received by the Company forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors, and

the said notification must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.

Attorneys

73. (1) A person purporting to be the attorney of a Member shall be required to produce the original Power of Attorney to the Company. *Power of attorney*
- (2) A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdictions in which it is executed.

Corporate Representatives

74. (1) A corporate Member may appoint an individual as its corporate representative to exercise all or any of the powers the corporate Member may exercise. *Appointment of corporate representative*
- (2) The appointment may be a standing appointment until notice of revocation is received by the Company.
- (3) The instrument of appointment may set out restrictions on the powers of the corporate representative.
- (4) A corporate Member may appoint more than one (1) corporate representative. However, it shall observe the voting entitlement set out in Clause 66.

DIRECTORS

Number of Directors

75. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting fix the number of Directors (excluding Alternate Director) but the number so fixed shall not be less than *May fix the number of Directors*

two (2) nor more than twenty (20).

- (2) The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification for Director shall be required. *Shareholding qualification for Directors*

Retirement of Directors

76. (1) An election of Directors shall take place each year. *Election*
- (2) At the first Annual General Meeting of the Company, all the Directors shall retire from office at the conclusion of the Annual General Meeting. *Retirement at Annual General Meeting*
- (3) At the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. *Retirement at Annual General Meeting in every subsequent year*
- (4) The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves. *Directors to retire*
- (5) A retiring Director shall be eligible for re-election at the Annual General Meeting. *Eligible for re-election*
- (6) The Company may appoint any person who is not disqualified under the Act to fill in vacancy at the Annual General Meeting at which a Director so retires, and if no appointment was made to fill the vacancy, the retiring Director shall, if he offers himself for re-election, be deemed to have been re-elected, unless:
- (a) at that meeting, the Company expressly resolved not to fill the vacated office; or
- (b) a resolution for the re-election of the Directors is put to the meeting and lost.

Appointment of Directors

77. The Directors shall have power from time to time to appoint any person: *Appointment by Directors*
- (1) to be a Director to fill a casual vacancy; and

(2) to be an addition to the existing Directors,

subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).

78. Any Director so appointed under Clause 77 shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election. *Hold office until next Annual General Meeting*

79. The Members may, at any time and from time to time by an ordinary resolution, appoint any person: *Appointment by Members*

(1) to be a Director to fill a casual vacancy; and

(2) to be an addition to the existing Directors,

subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).

80. Subject to Clause 75(1), no person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days before the meeting at which the election is to take place. *Notice of intention to appoint Director*

Proceedings in case of Vacancies

81. The remaining Director may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a General Meeting. *Proceedings in case of vacancies*

Defects in Appointment of Directors

82. The acts of a Director shall be valid notwithstanding any defect that is discovered after his appointment or in his qualifications. *Validity of acts of Directors*

Appointment of Managing and Executive Directors

83. (1) The Board of Directors may from time to time appoint one (1) or more of its body to the office of Managing Director (which term shall be deemed to include the chief executive or other such designation of the Company's chief executive officer) for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. *Managing and Executive Directors*
- (2) A Director (other than a Managing Director) holding any such other office or employment is herein referred to as an "Executive Director". *Executive Director*
- (3) Any such appointment of a Managing Director automatically terminates if the appointee ceases from cause to be a Director. *Cessation of office of Managing Director*
84. A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine. *Remuneration*
85. (1) The Board of Directors may, upon such terms and conditions and with such restrictions as it may think fit, entrust to and confer upon a Managing Director or an Executive Director any of the powers exercisable by them. A Managing Director or an Executive Director shall be subject to the control of the Board of Directors. *Directors may confer powers to Managing Director or Executive Director*
- (2) Any powers so conferred may be collateral with, or be to the exclusion of, the powers of the Board of Directors.
- (3) The Board of Directors may at any time, and from time to time, revoke, withdraw, alter or vary all or any of the powers so conferred on a Managing Director or an Executive Director.

Appointment of Alternate Director

86. (1) Any Director (called in this Clause the "Appointer") may, with the approval of a majority of the other members of the Board of Directors, appoint one (1) or more persons to be his Alternate Director in the Appointer's place for any period as the Appointer thinks fit provided that:
- (a) such person is not a Director of the Company; and
- (b) such person does not act as an Alternate Director for more than one (1) Director of the Company.
- (2) An appointment or removal of an Alternate Director must be in writing under the Appointer's hand. The original notification of appointment or removal must be provided by the Appointer to the Board. *Appointment or removal must be in writing*

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| (3) | An Alternate Director may resign from office by notice in writing to the Appointer and the Board. | <i>Resignation</i> |
| (4) | An Alternate Director must vacate office if the Appointer vacates office as a Director or removes the appointee from office. | <i>Vacate office</i> |
| 87. | An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead. | <i>Entitled to receive notice of Board Meetings</i> |
| 88. | (1) An Alternate Director may exercise any powers that the Appointer may exercise and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by the Appointer. | <i>Exercise of power</i> |
| | (2) The exercise of any power by an Alternate Director shall be an agent of the Company and not as an agent of the Appointer. | |
| 89. | An Alternate Director: | |
| | (1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and | <i>Not entitled to receive remuneration</i> |
| | (2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company. | <i>May be paid travelling and other expenses</i> |

Appointment of Associate Director

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| 90. | (1) The Board may from time to time appoint any person to be an associate director and may from time to time revoke any such appointment. | <i>Appointment or revocation</i> |
| | (2) The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director. | <i>Board to fix the terms</i> |
| | (3) A person appointed as an associate director does not have any right to attend or vote at any Board Meetings except by the invitation and with the consent of the Board. | <i>May attend Board Meetings by invitation</i> |

Removal of Director

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| 91. | Subject to the Act, the Company may by an ordinary resolution remove any Director and may by an ordinary resolution appoint another person in place of the removed Director provided that the total number of Directors should not at any time fall below the minimum or exceed the maximum set out in Clause 75(1) of this Constitution. | <i>May remove and appoint a Director by ordinary resolution</i> |
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Vacation of Office of Director

92. The office of Director shall become vacant if the Director:
- Vacation of office*
- (a) resigns from his office by giving a written notice to the Company at its Office;
 - (b) is removed from office in accordance with Clause 91 of this Constitution;
 - (c) becomes disqualified from being a Director under Section 198 or Section 199 of the Act;
 - (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (e) dies or has passed away;
 - (f) has been convicted by a court of law of an offence under the securities laws; or
 - (g) otherwise vacates his office in accordance with this Constitution.

Remuneration of Directors

93. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.
- Non-executive Directors' remuneration*
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.
- Fee*
- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors:
- Expenses*
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of

the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover. *Executive Directors' remuneration*

Powers of Directors

94. (1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company. *Directors shall manage the business and affairs of the Company*

(2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the Act or by this Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. *Validity of acts of Directors*

(3) Where an oral contract is made by a Director acting under authority, express or implied, the contract is to be reduced to writing within fourteen (14) days and may be subject to ratification by the Board (if required). If there is any non-compliance with the above requirement of reduction to writing and proper ratification by the Board, the Director entering into such oral contract shall assume personal responsibility for the same and shall indemnify the Company fully in all respects in relation to such contract. *Oral contract shall be reduced to writing and Board's ratification*

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

(b) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of

any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.

95. Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

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| (1) | borrow money; | <i>Borrowing</i> |
| (2) | mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital; | <i>Mortgage</i> |
| (3) | issue debentures and other Securities whether outright or as security; and/or | <i>Issue debentures</i> |
| (4) | (a) lend and advance money or give credit to any person or company; | <i>Lend or advance money</i> |
| | (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; | |
| | (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; | |

and otherwise to assist any person or company.

96. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two (2) Directors or in such other manner as the Directors may from time to time determine. *Operation of cheques, promissory notes etc.*

97. (1) 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 the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit. *Power of attorney*
- (2) Any powers of attorney granted under Clause 97(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney.

98. Subject always to the Act and the Listing Requirements, 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 Board of Directors may determine and 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 nor shall 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, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- Director may hold other office*

Delegation of Powers

99. Subject to the applicable laws and/or the Listing Requirements:
- (1) the Directors may delegate any of their powers to a committee or committees consisting of such their number as they think fit; *Directors may delegate powers to committee*
 - (2) any committee formed under Clause 99(1) shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors; and *Committee shall exercise powers as per Board's direction*
 - (3) the Board shall, subject to the Listing Requirements and upon the committee's recommendation (where applicable), appoint a chairperson of the committee and determine the period for which he is to hold office. *Chairperson of committee*
100. The Company may pass a resolution of the committee either by way of a written resolution or at a meeting of the committee. *Passing a Committee's Resolution*
- 101.
- (1) The Company may pass a resolution of the committee by way of a written resolution by the committee's members recording the resolution and signing the record. *Passing of resolution by committee's members*
 - (2) The record of decisions made by the committee is valid and effective as if it were a resolution duly passed at a meeting of the committee. *Record of decision*
 - (3) Any such resolution may consist of several documents in like form, each signed by one or more of the committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. *Resolution may consist of several documents*
 - (4) Any such document may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or *Agreement to written resolution by*

	digital signature by the said member.	<i>electronic means</i>
102.	(1) A committee may, whenever it thinks fit, convene a meeting of the committee, and may adjourn the meeting as it thinks proper.	<i>Convening of meeting of the committee</i>
	(2) The committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the committee members as a whole a reasonable opportunity to participate.	<i>Committee meeting may hold at two or more venues</i>
	(3) The virtual meeting of the Directors set out in Clause 120 shall apply to the meeting of the committee.	<i>Virtual meeting of committee</i>
	(4) Where a meeting of committee is held and:	<i>Chairperson of meeting</i>
	(a) a chairperson has not been appointed as provided by Clause 99(3);	
	(b) the person so appointed is not present within fifteen (15) minutes after the time appointed for holding the meeting; or	
	(c) the person so appointed is unable or unwilling to act as the chairperson of the meeting,	
	the members present may, subject to the Listing Requirements, choose one of their number to be chairperson of the meeting.	
	(5) No business is to be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business.	<i>Quorum</i>
	(6) Subject to the Listing Requirements, two (2) members personally present at a meeting shall constitute a quorum.	<i>Quorum</i>
	(7) Questions arising at any meeting of the committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairperson has a second or casting vote, except where two (2) members form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote.	<i>Votes</i>

Duties of Directors

103.	A Director shall at all times exercise his powers in accordance with the Act, for a proper purpose and in good faith in the best interest of the Company.	<i>Duties</i>
104.	Where a Director acts by virtue of his position as an employee of the	<i>Duties of</i>

Company, or who was appointed by or as a board representative of Member, nominee
employer or debenture holder, that Director shall be taken to have acted in Director
the best interest of the Company, and in the event of any conflict between
his duty to act in the best interest of the Company and his duty to his
nominator, he shall not subordinate his duty to act in the best interest of the
Company to his nominator.

Directors' Interest in Contracts

105. (a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. *Directors' interest in contracts*
- (b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

PASSING OF RESOLUTIONS OF DIRECTORS

Passing of Resolutions of Directors

106. The Company may pass a resolution of the Directors either by way of a written resolution or at a meeting of the Directors. *Passing a Directors' Resolution*

DIRECTORS' WRITTEN RESOLUTION

Passing of resolution by the Directors

107. (1) The Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document. *Passing of resolution by more than one Director*
- (2) Any such resolution may consist of several documents in like form, each signed by one (1) or more of the Directors, and shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. *Resolution may consist of several documents*

Agreement to written resolution by electronic means

108. (1) Any such document may be accepted as sufficiently signed by a Director if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director. *Agreement to written resolution by electronic means*

- (2) For the purposes of Clause 108(1), delivery may be effected by: *Manner of delivery*
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission; or
 - (c) delivery by email transmission,
- to the place, facsimile number or electronic address as specified by the Director or Secretary of the Company.

MEETINGS OF DIRECTORS

Frequency of Board Meetings

109. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. *Frequency of Board Meetings*

Convening Board Meetings

110. A Director may at any time, and the Secretary shall on the requisition of a Director to do so, convene a Board Meeting by giving notice in accordance with Clause 111. *Secretary or Director may convene a Board Meeting*

Notice of Board Meetings

111. (1) A notice of a Board Meeting must specify the following: *Contents of Notice of Board Meeting*
- (a) the place, date and time of the Board Meeting;
 - (b) the general nature of the business (including matters to be discussed) of the Board Meeting; and
 - (c) where the Directors think fit, the text of any proposed resolution and other information.
- (2) If the Board Meeting is to be held in two (2) or more places, the notice of the Board Meeting shall specify the technology that will be used to facilitate the Board Meeting. *Board Meeting held at two (2) or more venues*
- (3) The main venue of the Board Meeting shall be the place where the chairperson is present at the Board Meeting. *Main venue*
112. Reasonable notice in the circumstances must be given of all Board Meetings. *Notice period*

113. Notice of every Board Meeting shall be given to all Directors in accordance with the manner specified in Clause 127. *Directors entitled to receive notice*

Quorum for Board Meetings

114. (1) No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business. *Quorum*
- (2) Two (2) Directors personally present at a meeting shall constitute a quorum. *More than one Director*
- (3) In this clause, “Director” includes Alternate Director. *Meaning of Director*

No Quorum

115. If a quorum is not present within half an hour after the time appointed for a Board Meeting: *Quorum is not present*
- (1) the Board Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; or *Adjournment of Board Meeting*
- (2) if no determination is made by the Directors, the Board Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; and
- (3) if at the adjourned Board Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Director present shall form a quorum. *Adjourned Board Meeting*

Chairperson of Board Meetings

116. (1) The Directors shall appoint one of their number as Chairperson and may also appoint another of their number as Deputy Chairperson of the Company. *Chairperson and Deputy Chairman*
- (2) The Directors shall determine the period for which such Chairperson or Deputy Chairperson is to hold office. *Office period*
- (3) The Chairperson or Deputy Chairperson (in the absence of the Chairperson) shall be the Chairperson of the Board Meeting. *Chairperson of Board Meetings*
- (4) Where a Board Meeting is held and:
- (a) a Chairperson or Deputy Chairperson has not been

appointed as provided by Clause 116(1); or

- (b) the person so appointed is not present within fifteen (15) minutes after the time appointed for the holding of the Board Meeting or is unable to act for all or part of the meeting;

the Directors present shall elect one of their number to be the chairperson of the Board Meeting.

- (5) For avoidance of doubt, an Alternate Director shall not be elected as the chairperson of the Board Meeting.

Adjournment of Board Meetings

- 117. (1) The chairperson shall adjourn a Board Meeting, at which a quorum is present, from time to time and from place to place if the Directors present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. *Directors' consent is required*
- (2) No business is to be transacted at any adjourned Board Meeting other than the business left unfinished at the Board Meeting from which the adjournment took place (referred to as the "Original Board Meeting"). *Only transact the business left unfinished at the Board Meeting*
- (3) There is no need to give any notice of an adjourned Board Meeting or of the business to be transacted at an adjourned Board Meeting unless the adjourned Board Meeting is to be held more than thirty (30) days after the date of the Original Board Meeting. *Notice of adjourned Board Meeting*

Voting at Board Meetings

- 118. (1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors. *Directors' decision*
- (2) Each Director is entitled to cast one (1) vote on each matter for determination. *Casting of vote*

Casting Vote

- 119. In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote. *Chairperson shall have a casting vote*

Virtual Meetings of Directors

120. (1) The Directors may hold a Board Meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Directors as a whole a reasonable opportunity to participate. *Board Meeting may hold at two (2) or more venues*
- (2) The technology to be used for the purpose of this Clause must be such that each Director taking part in the meeting must be able to communicate simultaneously with each of the other Directors taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication. *Technology to be used for virtual meeting*
- (3) A virtual meeting shall be deemed to constitute a Board Meeting and all the provisions of this Constitution as to Board Meetings shall apply to any virtual meeting provided the following conditions are met: *Conditions for virtual meeting*
- (a) All the Directors for the time being entitled to receive notice of the Board Meeting (including any Alternate Director) shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as permitted by this Constitution; and
- (b) A Director may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the chairperson of the meeting of his intention to leave the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his leaving the meeting.
- (4) A minute of the proceedings of meetings including virtual meetings shall be sufficient evidence of such proceeding and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting or the next succeeding meeting. *Minutes*

SECRETARY

Appointment of Secretary

121. The Secretary shall in accordance with the Act be appointed by the Board for such terms, at such remuneration, and upon such terms and conditions as the Board may think fit. *Appointment*

Casual Vacancy of Secretary

122. (1) Any Secretary so appointed under Clause 121 may be removed by the Directors, in accordance with the terms and conditions of its appointment. *Removal*

- (2) The office of a Secretary may or will become vacant if the Secretary: *Vacation of office*
- (a) resigns from office by notice in writing to the Board, the Secretary shall cease to act as Secretary upon the expiry of thirty (30) days from the date of the notice to the Board or from the effective date as specified in his notice or the terms of appointment; or
 - (b) is unable to communicate with the Directors at the last known residential address, the Secretary may, notify the Registrar of that fact and of his intention to resign from the office, and he shall cease to act as the Secretary on the expiry of thirty (30) days from the date of the notice to the Registrar.
- (3) The Board shall fill the vacancy of the Secretary within thirty (30) days after the occurrence of any event under Clause 122(1) or (2). *Fill the casual vacancy of Secretary*

INSURANCE AND INDEMNITY OF APPLICABLE PERSONS

Applicable Persons

123. The provisions of Clauses 124 to 126 shall apply to the following persons (*Applicable Persons*): *Applicable persons*
- (1) every person who is or has been an Officer;
 - (2) Auditors; and
 - (3) any other officers as defined in the Act.

Indemnity

124. The Company does not exempt an Applicable Person from a liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the Company incurred in his capacity as an Applicable Person. *No indemnity*
125. (1) The Company may indemnify an Applicable Person out of the Company's assets for any costs incurred by him or the Company in respect of any proceedings: *Indemnity may be allowed*
- (a) that relates to his liability for any act or omission in his capacity as an Applicable Person; and
 - (b) in which judgment is given in favour of the Applicable Person or in which the Applicable Person is acquitted or in which the Applicable Person is granted relief under the Act, or where proceedings are discontinued or not

pursued.

- (2) The Company may also indemnify an Applicable Person in respect of an application for relief under the Act.
- (3) The Company may indemnify an Applicable Person in respect of: *Exception*
- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an Officer or Auditors; and
 - (b) costs incurred by that Applicable Person in defending or settling any claim or proceedings relating to any 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, however arising; or
 - (ii) any liability incurred by the Director:
 - (aa) in defending criminal proceedings in which he is convicted; or
 - (bb) in defending civil proceedings brought by the Company, or an associated company, in which judgment is given against him.
- (4) Where the costs and expenses incurred by an Applicable Person under Clause 125(1) and (2) are recovered by the Company under an insurance policy taken out or paid for by the Company pursuant to Clause 126, the extent of the indemnification of an Applicable Person shall be reduced accordingly.

Insurance

126. (1) The Company may, with the prior approval of the Board, purchase and maintain insurance, at the expense of the Company, for an Applicable Person, against: *Insurance*
- (a) civil liability, for any act or omission in his capacity as a Director or Officer or Auditors; and

- (b) costs incurred by that Officer or Auditors in defending or settling any claim or proceeding relating to any such liability; or
 - (c) costs incurred by that Officer or Auditors in defending 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 Auditors:
 - (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.
- (2) In the case of a Director, Clauses 125(2) and (3) and 126(1)(a) and (b) shall not apply to any civil and criminal liability in respect of a breach of the duties of the Directors as specified in Section 213 of the Act.

ADMINISTRATION

Notices, Documents and Other Publication

127. Any Company's Documents may be given by the Company to the persons mentioned below in the following manner: *Notice*
- (1) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission ("Persons"): *Members*
 - (a) The Company's Documents shall be in writing and shall be given to the aforesaid Persons either:
 - (i) in hard copy, which shall be sent to the Persons either personally or by post to his last known address; *Hard copy*
 - (ii) in electronic form, which shall be either: *Electronic form*
 - (aa) transmitted to the last known electronic address provided by the Persons to the Company;
 - (bb) transmitted to the last known contact details as recorded in the Register of Members or Record of Depositors provided by the Persons to the

Company or Depository respectively;

- (cc) by publishing on a website;
 - (dd) transmitted by the Company to the Persons using any appropriate electronic communication platform established by the Company or third parties, or
 - (iii) partly in hard copy and partly in electronic form. *Both of the above*
- (b) If a notice of General Meeting is published on the website, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Website*
 - (i) it concerns a General Meeting;
 - (ii) the place, date and time of the General Meeting; and
 - (iii) the designated website link or address where a copy of the notice may be downloaded,and the notice must be published on the Company's website throughout the period starting from the date of notification until the conclusion of the General Meeting. *Period of publication on website*
- (c) If the Company publishes its documents (other than a notice of General Meeting) ("Company's Publication") on its Company's website or any other appropriate electronic communication platform, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Publication on Website*
 - (i) brief description of the Company's Publication; and
 - (ii) the designated website link or address where a copy of the Company's Publication may be downloaded.
- (d) In the event of a delivery failure, the Company must immediately send the Company's Documents to the affected Members by other appropriate means as permitted under Clause 127(1)(a). *Delivery failure*
- (e) The Persons may request for a hard copy of the Company's Documents from the Company if they are sent by electronic means. *Request for hard copy*

- (2) In respect of a Director, the Company's Documents shall be in writing and shall be given to the Director either: *Directors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or
 - (b) to the Director's last known service address.
- (3) In respect of the Auditors, the Company's Documents shall be in writing and shall be given to the Auditors either: *Auditors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or
 - (b) to the Auditors' last known address.
- (4) In respect of a holder of Debt Securities, the Company's Documents shall be in writing and shall be given to the holder of Debt Securities:
- (a) in the manner(s) set out in Clause 127(1); or.
 - (b) to the holder of Debt Securities' last known address provided by the said holder to the Company or Depository.
- (5) For the purpose of Clause 127(1), the Board of Directors may, at their discretion, determine the appropriate mode of communication with the persons mentioned above. *Directors' discretion*
128. Where the Company's Documents are: *Service of notice*
- (1) served by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of the Persons, on the day after the date of its posting; *Post*
 - (2) sent by facsimile transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted, unless the Company receives notification that the transmission was not successful; *Facsimile transmission*
 - (3) sent by electronic transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted electronically, unless the Company receives notification that the transmission was not successful; *Electronic transmission*
 - (4) published on the Company's website or any appropriate electronic communication platform, service of the notice shall be deemed to *Website*

be effected on the day on which the notice first appears on the Company's website to which the relevant person may have access or the day on which the notice of publication is deemed to have been served or delivered to such person under Clause 127, whichever is later; or

- (5) served or delivered in person, service of the notice shall be deemed effected at the time the relevant Company's Documents are delivered, received or left at the address of such person. *Personal delivery*
129. The Company's Documents may be given by the Company to Joint Holders by giving the notice to the Joint Holder first named in the Register of Members. *Joint Holder*
130. Any Company's Documents delivered or sent to any Member in such manner as provided in Clause 127(1) shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative or survivor.

Written Resolutions and Minutes

131. The Directors must cause: *Written resolutions and minutes*
- (1) all Directors' and committees' written resolutions;
- (2) all proceedings and resolutions of Board Meetings and committee meetings; and
- (3) all proceedings and resolutions of General Meetings,
- to be duly entered into the books kept for that purposes in accordance with the Act.
132. The records of resolutions passed by way of Directors' and committees' written resolutions or at the Board Meetings, committee meetings and General Meetings and signed in accordance with the Act and this Constitution are evidence of the proceedings, resolutions or declaration to which they relate, unless the contrary is proved.

Execution of Documents

133. (1) The Company shall adopt a Seal, known as the common seal, on which its name and registration number and the words "Common Seal" are engraved in legible romanised characters. *Seal*
- (2) The Directors shall provide for the safe custody of the Seal. *Custody*
- (3) The Seal shall only be used by the authority of the Board of Directors or of a committee of the Board of Directors authorised by the Directors on their behalf. *Authority of the Directors*

- (4) The Company may execute a document by affixing the Seal to the document where the affixing of the Seal is witnessed by: *Affixing the Seal*
- (a) two (2) Directors;
 - (b) one (1) Director and one (1) Secretary; or
 - (c) one (1) Director and another person appointed by the Directors for that purpose.
- (5) (a) Any Director or the Secretary or any person so appointed by the Directors shall have power to authenticate any documents affecting this Constitution and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. *Authentication of documents*
- (b) A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or the written resolutions or minutes of a meeting of the Directors or any committee which is certified as aforesaid 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 any minute or written resolution so extracted is a true and accurate record of the resolutions or proceedings at a duly constituted meeting to which it relates.
134. (1) The Company may have an official Seal, on which its name and registration number and the words “Common Seal” and the place where it is to be used are engraved in legible romanised characters. *Official seal for use abroad*
- (2) The Directors shall provide for the safe custody of the official Seal. *Custody*
- (3) 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 of debenture holders kept in any place outside Malaysia. *Authority of the Directors*
- (4) The Company may execute a document by affixing the official Seal to the document where the affixing of the official Seal is witnessed by: *Affixing the official Seal*
- (a) two (2) Directors;

- (b) one (1) Director and one (1) Secretary;
- (c) one (1) Director and another person appointed by the Directors for that purpose; or
- (d) two (2) persons appointed by the Directors for that purpose, and

the person affixing official Seal shall certify in writing on the deed or document to which the official Seal is affixed the date and place it is affixed.

- (5) The Company may have an official Seal to seal: *Official seal for Securities*
 - (a) Securities issued by the Company; or
 - (b) documents creating or evidencing Securities so issued,on which its name and registration number and the words “Securities” are engraved in legible romanised characters.
- (6) The official Seal for Securities shall be executed in the manner provided in Clause 133(4).

FINANCIAL MATTERS

Financial Statements

- 135. (1) The Directors must cause proper accounting and other records to be kept in accordance with Section 245 of the Act and such records must be true and complete accounts of the affairs and transactions of the Company and give a true and fair view of the state of the Company’s affairs and explain its transactions. *Accounting and other records*
- (2) The Directors shall from time to time, in accordance with the provisions of the Act and the Listing Requirements, cause to be prepared and approved, and to be circulated to the Members, Directors and Auditors and laid before the Company in Annual General Meeting such financial statements and consolidated financial statements (if any) and reports of Directors and Auditors. *Circulation and laying of financial statements*
- (3) No Member (who is not a Director) shall have any right of inspecting any accounting or other records of the Company except where such right is conferred by law. *Right of inspection*

Audit

- 136. (1) (a) The Board shall appoint the first Auditors of the Company *First Auditors*

at any time before the first Annual General Meeting, at such remuneration as the Board thinks fit.

- (b) The Auditors appointed under Clause 136(1)(a) shall hold office until the conclusion of the first Annual General Meeting.
- (2) (a) For subsequent years, the Board may, subject to the Act, appoint the Auditors to fill casual vacancy in the office of the Auditors, at such remuneration as the Board thinks fit. *Appointment of Auditors by Board*
- (b) The Auditors appointed under Clause 136(2)(a) shall hold office until the conclusion of the next Annual General Meeting.
- (3) For subsequent years, the Members may by an ordinary resolution: *Change of Auditors by Members*
- (a) re-appoint the existing Auditors;
- (b) appoint another person as the Company's Auditors;
- (c) remove the Auditors; and/or
- (d) if there is a vacancy in the office of the Auditors, appoint Auditors to fill the vacancy.
- The remuneration of the Auditors appointed under Clause 136(3) shall be fixed by the Members by ordinary resolution or in such manner as the Members may determine.
- (4) The Auditors shall hold office in accordance with the terms of their appointment, provided that: *Term of office of Auditors*
- (a) they do not take office until the previous auditors have ceased to hold office unless they are the first Auditors; and
- (b) they ceased to hold office at the conclusion of the Annual General Meeting next following their appointment, unless they are re-appointed.
- (5) The powers and duties of the Auditors are as regulated under Sections 266 and 287 of the Act. *Powers and duties*
- (6) The Auditors shall attend every Annual General Meeting where the financial statements and consolidated financial statements (where applicable) of the Company for a financial year ("Financial Statements") are to be laid, so as to respond according to their knowledge and ability to any question relevant to the audit of the Financial Statements. *Attendance of Auditors*

- (7) The Auditors may cease to act as Auditors of the Company by:
- (a) giving a notice of resignation in writing to the Company at the Office and their term of office shall end after twenty-one (21) days from the date of the notice to the Company or from the effective date as specified in their notice; or *Resignation of Auditors*
 - (b) giving a notice in writing to the Company at the Office indicating that they do not wish to seek re-appointment at the forthcoming Annual General Meeting. *Retirement of Auditors*

Dividends

137. (1) A dividend may be declared by: *Declaration of dividend*
- (a) the Directors; or
 - (b) the Members on the recommendation of the Board of Directors as it thinks appropriate.
- (2) The payment of a dividend is to those holders of such class of shares as the Directors have determined in accordance with and subject to any conditions upon which the shares have been issued. *Payment of dividend*
- (3) A dividend shall not exceed the amount recommended by the Directors. *Directors to recommend amount*
138. The Directors may authorise a distribution of dividends in accordance with Section 132 of the Act, and any dividend so authorised must be out of profits of the Company available for distribution and provided the Company is solvent. The Directors may authorise a distribution at any time and for such amounts as the Directors shall consider appropriate so long as the Directors are satisfied that the Company will be solvent for a period of twelve (12) months after the distribution is made. *Distribution only if Company is solvent*
139. (1) A dividend may be classified as:
- (a) an interim dividend if it is declared and distributed by the Company to its Members prior to the determination of final profit position of the Company for the financial year; *Interim dividend*
 - (b) a final dividend if it is the last dividend distributed by the Company to its Members after the financial statements for the financial year have been prepared and approved by the Board; and *Final dividend*
 - (c) a special dividend if it is a non-recurring distribution of the Company's assets, where the amount is larger compared to normal dividend paid out by the Company or other *Special dividend*

circumstances that the Directors think fit.

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|------|-----|--|--|
| | (2) | The Directors may, at its discretion, declare dividend pursuant to either Clause 137(1)(a) or (1)(b). | <i>At Directors' discretion</i> |
| 140. | | No dividend is to bear interest against the Company. | <i>No interest bearing</i> |
| 141. | (1) | The Directors may, before recommending any dividend: | <i>Before recommending dividend</i> |
| | (a) | set aside out of the profits of the Company such sums as they think proper as reserves; or | |
| | (b) | carry forward any profits which they may think prudent not to divide, without placing the profits to reserve. | |
| | (2) | The reserves set aside under Clause 141(1)(a): | <i>Reserves that set aside</i> |
| | (a) | are, at the discretion of the Directors, to be applied for any purpose to which the profits of the Company may be properly applied; and | |
| | (b) | may, pending any application under Clause 141(2)(a) and at the discretion of the Directors, be employed in the business of the Company or be invested in any investments (other than shares in the Company) as the Directors may from time to time think fit. | |
| 142. | (1) | Subject to the rights of persons (if any) entitled to shares with special rights or conditions as to dividend entitlement or to any provisions in this Constitution, all dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. | <i>Dividends must be declared and paid according to the amounts paid</i> |
| | (2) | An amount paid or credited as paid on a share in advance of a call shall not be taken for the purposes of this Clause to be paid or credited as paid on the share and shall not, whilst carrying interest, confer a right to participate in profits. | <i>Amount paid on a share in advance of a call</i> |
| | (3) | All dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. | <i>Dividend must be paid proportionately</i> |
| | (4) | If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly. | <i>Share ranks for dividend</i> |
| 143. | | The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | <i>Deduct dividend from calls</i> |

144. (1) When declaring a dividend, the Directors or Members on the recommendation of the Directors may by ordinary resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including: *Distribution of specific assets*
- (a) paid-up shares of the Company or any other corporation;
 - (b) debentures or debenture stock of the Company or any other corporation;
 - (c) assets of the Company which the Directors think appropriate; or
 - (d) any combination of any specific assets, and
- the Directors may do all acts and things considered necessary or expedient to give effect to such a resolution.
- (2) Where a difficulty arises with regard to such a distribution directed under Clause 144(1), the Directors may, subject to the Act and the Listing Requirements, do all or any of the following:
- (a) settle the distribution as they think expedient;
 - (b) fix the value for distribution of the specific assets or any part of the specific assets;
 - (c) determine that cash payments be made to any Member on the basis of the value so fixed by the Directors in order to adjust the rights of all parties; and/or
 - (d) vest any specific assets in trustees as the Directors think expedient.
145. (1) Any dividend, interest or other money payable in cash in respect of shares may be paid in such manner as may be determined by the Directors from time to time including: *Payment*
- (a) in respect of Listed Deposited Security, direct crediting the payment into the bank account of the Member as provided by the Member to the Depository from time to time; or
 - (b) in respect of Security other than Listed Deposited Security:
 - (i) by direct crediting the payment into the bank account of the Member as provided by the Member to the Company or Depository from time to time; or

- (ii) by cheque sent through the post directed to :
 - (aa) the address of the Member as shown in the Register of Members, or in the case of Joint Holders, to the address shown in the Register of Members as the address of the Joint Holder first named in the Register of Members; or
 - (bb) such other address as the holder or Joint Holders in writing directs or direct.
- (2) Every direct transfer or cheque made under Clause 145(1) must be made payable to the order of the person to whom it is sent.
- (3) Any one (1) of two (2) or more Joint Holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as Joint Holders.

Capitalisation of Profits

146. (1) Subject to Clause 146(2), the Company may, upon a recommendation of the Directors and in General Meeting, resolve that it is desirable to capitalise any sum, being the whole or a 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 to Members, and that such sum be applied, in any of the manners mentioned in Clause 146(3), for the benefit of the Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend. *Members' approval*
- (2) The Directors may, subject to the Act and the Listing Requirements, capitalise any sum, being the whole or a 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 to the Members. *Exemption*
- (3) The amount capitalised under Clause 146(1) is set free for distribution amongst the Members who would have been entitled to the amount had it been distributed by way of dividend and in the same proportions subject to the following conditions: *Capitalised amount*
- (a) the capitalised amount must not be paid in cash;
 - (b) the capitalised amount must be applied in or towards either or both of the following:
 - (i) paying up any amounts for the time being unpaid on any shares held by the Members;

- (ii) paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the same proportions.

147. The Directors shall do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may: *To give effect to the resolution*

- (1) issue fractional certificates or make cash payments in cases where shares or debentures becoming distributable in fractions; and
- (2) authorise any person to enter, on behalf of all the Members entitled to the distribution into an agreement with the Company, providing:
 - (a) for the allotment to the Members respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon the capitalisation; or
 - (b) for the payment up by the Company on the Members' behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the profits resolved to be capitalised, and

any agreement made under such authority referred to in Clause 146(3)(b) is effective and binding on all the Members entitled to the distribution.

DISSOLUTION

Winding Up

148. Subject to the Act, the Company may be dissolved by a special resolution in a General Meeting. If such a resolution is passed, the Members shall also be required to appoint a liquidator or liquidators for the purpose of winding up the affairs and distributing the property of the Company. *Passing of special resolution*

149. (1) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: *Power of liquidator*
- (a) divide amongst the Members in kind the whole or any part of the property, if any, of the Company, whether they consist of property of the same kind or not;
 - (b) set a value as the liquidator considers fair upon the property, if any referred to in Clause 149(1)(a);
 - (c) determine how the division of property, if any is to be carried out as between the Members or different classes

of Members; and

- (d) vest the whole or any part of the property, if any, of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.
- (2) No Member is compelled to accept any shares or other Securities on which there is any liability.

SECRECY

150. Save as may be expressly provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect of any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the business and/or conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the Member of the Company to communicate to the public.

EFFECTS OF THE LISTING REQUIREMENTS

Effects of the Listing Requirements

151. (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. *Effects of the Listing Requirements*
- (2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (5) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

KEJURUTERAAN ASASTERA BERHAD (420505-H)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We _____ Tel: _____
of _____
[Full name in block, NRIC/Passport/Company No.]

being member(s) of **KEJURUTERAAN ASASTERA BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at **(Venue)** on **(Date)**, **(Day)** at **(Time)** or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*

Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

- (c) *If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*
- (i) *at least two (2) authorised officers, of whom one shall be a director; or*
 - (ii) *any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

Notes:

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at (date). Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
5. *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”) which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at (address).
 - (ii) *By electronic means via facsimile*
In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at (facsimile no.).
 - (iii) *By electronic means via email*
In the case of an appointment made via email transmission, this proxy form must be received via email at (email address).

For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.

 - (iv) *Online*
In the case of an appointment made via online lodgement facility, please login to the link website using the holding details as shown below:
(Holding details)
 - (v) *By mobile device*
In the case of an appointment made by mobile device, please follow the instruction provided below:
(Details)
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at (address) not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General*

Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging this proxy form is (time), (date) and (day).*
12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
 - a. *Identity card (NRIC) (Malaysian), or*
 - b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
 - c. *Passport (Foreigner).*
13. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.*

FORM OF PROXY



KEJURUTERAAN ASASTERA BERHAD

(Company No. 420505-H)
(Incorporated in Malaysia)

I/We, _____ (NRIC/Company No. _____)
(Full Name in Capital Letters)

of _____
(Full Address)

Contact No _____ being a member of **KEJURUTERAAN ASASTERA BERHAD**, hereby appoint(s)
_____ (NRIC/Company No. _____)
(Full Name in Capital Letters)

of _____
(Full Address)

and/or* _____ (NRIC/Company No. _____)
(Full Name in Capital Letters)

of _____
(Full Address)

or failing whom, the Chairman of the Meeting as my/our* proxy to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 9.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

RESOLUTION		FOR	AGAINST
Ordinary Resolution			
1.	Payment of Directors' Fees for the financial year ending 31 December 2019.		
2.	Re-election of Choong Gaik Seng as Director.		
3.	Re-election of Lu Chee Leong as Director.		
4.	Re-election of Goh Kok Boon as Director.		
5.	Re-election of Dato' Chan Chee Hong as Director.		
6.	Re-appointment of Messrs Kreston John & Gan as Auditors of the Company and authorise the Directors to fix their remuneration.		
7.	Authority for Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
Special Resolution			
8.	Proposed Alteration of the Constitution by replacing with a New Constitution ("Proposed Alteration")		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dates this _____ day of _____ 2019

Signature of Member / Common Seal

No. of Ordinary Shares held :	
CDS Account No. :	
Proportion of shareholdings	First Proxy :
to be represented by proxies	Second Proxy :
Contact No. :	

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) Proxy(ies) (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead.
2. Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
3. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor.
4. An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, at least forty-eight (48) hours i.e. on or before 9.00 a.m., Tuesday, 14 May 2019, otherwise the person so named shall not be entitled to vote in respect thereof, or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with Ordinary Shares of the Company standing to the credit of the said Securities Account.
6. Where a member of the company is an exempt authorised nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 75 of the Constitution of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 9 May 2019 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.



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AFFIX
STAMP

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
(Company No. 11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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KEJURUTERAAN ASASTERA BERHAD

(420505-H)

www.asastera.com