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**TIONG NAM LOGISTICS HOLDINGS BERHAD**

(Company No. 182485-V)

(Incorporated in Malaysia under the Companies Act 2016)

PART A

**SHARE BUY-BACK STATEMENT**

in relation to the

**PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL  
FOR SHARE BUY-BACK BY THE COMPANY UP TO TEN PERCENT (10%) OF  
THE TOTAL NUMBER OF ISSUED SHARE OF THE COMPANY**

AND

PART B

**CIRCULAR TO SHAREHOLDERS**

in relation to the

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

AND

PART C

**PROPOSED NEW CONSTITUTION OF TIONG NAM LOGISTICS HOLDINGS BERHAD**

The Notice convening the Thirtieth Annual General Meeting of Tiong Nam Logistics Holdings Berhad to be held at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on Saturday, 24 August 2019 at 9.30 a.m. together with the Form of Proxy are set out in the Annual Report for the financial year ended 31 March 2019.

The Form of Proxy must be deposited at the Registered Office of Tiong Nam Logistics Holdings Berhad at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim on or before the date and time indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Annual General Meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy: Thursday, 22 August 2019 at 9.30 a.m.

Date and time of Thirtieth Annual General Meeting: Saturday, 24 August 2019 at 9.30 a.m.

## DEFINITIONS

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

“Act”	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of TNL
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Code”	: Malaysian Code on Take-Over and Mergers, 2016 as amended from time to time
“Directors”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 (“CMSA”) and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon - <ol style="list-style-type: none"> <li>i. a director of TNL, its subsidiary or holding company; or</li> <li>ii. a chief executive of TNL, its subsidiary or holding company; and</li> <li>iii. In relation to a Special Purpose Acquisition Company (“SPAC”), a member of the SPAC’s management team</li> </ol>
“EPS”	: Earnings per share
“FYE”	: Financial year ended / ending, as the case may be
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
“Major Shareholder”	: A person who has an interest or interests in one (1) or more voting shares in TNL and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- <ol style="list-style-type: none"> <li>(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in TNL; or</li> <li>(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in TNL where such person is the largest shareholder of TNL.</li> </ol> <p>This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of TNL as defined above or any other company which is a subsidiary of TNL or TNL’s holding company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act</p>
“Market Day(s)”	: Any day on which Bursa Securities is open for trading of securities
“Proposed Share Buy-Back Renewal”	: The proposed renewal of the authority for TNL to purchase and/or hold its own shares of an aggregate amount of up to ten percent (10%) of its prevailing total number of issued shares at any time.
“Proposed Renewal of Shareholders’ Mandate”	: Proposed renewal of shareholders’ mandate pursuant to Paragraph 10.09, Chapter 10 and Practice Note 12 of the Listing Requirements, in relation to RRPTs
“Purchased Shares”	: TNL Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“RRPT”	: Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of TNL and/or its subsidiaries and which are expected to occur at least once in three (3) years and is within the ordinary course of business of TNL and/or its subsidiaries
“Related Party (ies)”	: Director(s), Major Shareholder(s) or person(s) connected with such Director or Major Shareholder.
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SC”	: Securities Commission of Malaysia
“Subsidiaries”	: Anugerah Sensasi Sdn Bhd (Company No. 265049-T) Bagus Cekal Sdn Bhd (Company No. 121348-X) Belaian Pinang Sdn Bhd (Company No. 292127-U) Dragon 2012 Sdn Bhd (Company No. 976926-M) Fair Vista Sdn Bhd (Company No. 393029-H) Far East West Lands Sdn Bhd (Company No. 294905-M) Front Field Sdn Bhd (Company No. 268529-M) G-Force Logistics Solutions Sdn Bhd (Company No.1041257-X) Integriti Kaliber Sdn Bhd (Company No. 1189905-P) Japan Original Electric (M) Sdn Bhd (Company No. 190203-A) Jelas Bagus Sdn Bhd (Company No. 304354-W) LT Growth Sdn Bhd (Company No. 389469-K) Medini Heritage Sdn Bhd (1052685-D) Pacific Transport Sdn Bhd (Company No. 62965-P) Pengangkutan Enepec Sdn Bhd (Company No. 194978-P)

## DEFINITIONS (CONT'D)

“Subsidiaries” (Con’t)	: Semangat Angkut Sdn Bhd (Company No. 63118-X) Tiong Nam (Sarawak) Sdn Bhd (Company No.171513-T) Tiong Nam Warehousing (Sarawak) Sdn Bhd (Company No. 244517-D) Terminal Perintis Sdn Bhd (Company No. 910573 T) Tiong Nam Allied Container Depot Services Sdn Bhd (Company No. 379361-X) Tiong Nam Ebiz Express Sdn Bhd (Company No. 632209-X) Tiong Nam Heavy Transport & Lifting Sdn Bhd (Company No. 222507-H) Tiong Nam Logistics Myanmar Co Ltd (Company No. 107137114) Tiong Nam Logistics Sdn Bhd (Company No. 496260-T) Tiong Nam Logistics Solutions (Lao) Co Ltd (Company No. N016-2016 32254) Tiong Nam Logistics Solutions (Shenzhen) Co Ltd (Company No. 91440300MA5EDWTA3T) Tiong Nam Logistics Solutions Sdn Bhd (Company No. 043831-V) Tiong Nam Logistics Vietnam Co Ltd (Company No. 0107740906) Tiong Nam Properties Sdn Bhd (Company No. 391090-X) Tiong Nam Resources Sdn Bhd (Company No. 672904-T) Tiong Nam Truck Rental Services Sdn Bhd (Company No. 284630-V) Tiong Nam Logistics (S) Pte Ltd (Company No. 200205434G) TNTT Packages Express Sdn Bhd (Company No. 532719-M) TNTT Packages Express Pte Ltd (Company No. 200717178G) Yakin Kaliber Sdn Bhd (Company No. 1210989-D) TN Transport & Warehousing Pte Ltd. (198400472C)
“Substantial Shareholder”	: Shall have the meaning given in Section 136(2) of the Act
“TNL” or “the Company”	: Tiong Nam Logistics Holdings Bhd (Company No. 182485-V)
“TNL Group” or “Group”	: TNL and its subsidiaries
“TNL Share(s)” or “Share(s)”	: Ordinary share(s) of TNL
“TNLS”	: Tiong Nam Logistics Solutions Sdn Bhd (Company No. 043831-V)
“WAMP”	: Weighted average market price

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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### PART B:

LETTER TO THE SHAREHOLDERS OF TNL IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE CONTAINING:

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**PART A**

**SHARE BUY-BACK STATEMENT**

in relation to the

**PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE  
BUY-BACK BY THE COMPANY UP TO TEN PERCENT (10%) OF THE  
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY  
("PROPOSED SHARE BUY-BACK")**

## 1. INTRODUCTION

Tiong Nam Logistics Holdings Bhd (“TNL” or “the Company”) had on 3 June 2019, announced that the Company proposes to seek shareholders’ approval for the proposed renewal of shareholders’ approval for the share buy-back by the Company up to ten percent (10%) of the total number of issued shares of the Company (“Proposed Share Buy-Back”) at the forthcoming Thirtieth Annual General Meeting (“30th AGM”) to be convened.

The purpose of this Statement is to provide you with information on the Proposed Share Buy-Back, to set out the recommendation of your Board of Directors (“Board”) and to seek your approval for the resolution pertaining the renewal of shareholders’ approval for the Proposed Share Buy-Back to be tabled at the forthcoming 30th AGM of the Company to be convened at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on Saturday, 24 August 2019 at 9.30 a.m., notice of which is set out on page 167 to 172 of the Annual Report of the Company.

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

At the Annual General Meeting of the Company held on 25 August 2018, the Company obtained its shareholders’ approval for the Company to continue to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) governing the purchase of own shares by a listed company, the aforesaid approval obtained at the Company’s AGM held on 25 August 2018 will expire at the conclusion of the forthcoming 30th AGM of the Company which will be held on 24 August 2019 unless the mandate is renewed.

The Board proposes to seek approval from the shareholders for a renewal of shareholders’ approval for the Proposed Share Buy-Back. As at 28 June 2019, the total issued share of TNL is RM 171,372,446, comprising 460,775,486 TNL shares.

The Company purchased 523,000 TNL shares during the financial year ended 31 March 2019.

The total number of TNL Shares purchased by the Company for the previous twelve (12) months preceding the date of this Statement and held as treasury shares up to and including 28 June 2019 is 1,386,200 ordinary shares for a total consideration of RM739,095.73. The total cumulative treasury shares held to date up to and including 28 June 2019 is 5,768,995 ordinary shares.

Month	No of Purchased Shares	Minimum Price (RM) Per Share	Maximum Price (RM) Per Share	Average Price (RM) Per Share	Total Amount Paid (RM)
October 2018	1,000	0.87	0.87	0.87	910.27
March 2019	521,000	6.73	6.81	0.67	317,498.34
April 2019	117,900	0.55	0.60	0.57	69,028.39
May 2019	166,300	0.53	0.59	0.56	95,084.97
June 2019	580,000	0.43	0.46	0.44	256,573.76
Total	1,386,200				739,095.73

\* Note: There was no purchase for the month of July 2018 to Sept 2018 and January 2019 to February 2019.

The renewal of shareholders’ approval for the Proposed Share Buy-Back shall be effective upon the passing of the resolution in the forthcoming 30th AGM on 24 August 2019 until:-

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

whichever occurs first.

## 3. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES FOR PROPOSED SHARE BUY BACK

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

- The Company may be able to stabilize the supply and demand of TNL Shares in the open market thereby supporting their fundamental value;

### 3. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES FOR PROPOSED SHARE BUY BACK (cont'd)

- (b) The Proposed Share Buy-Back provides TNL the option to return its surplus financial resources to the shareholders of TNL by enhancing the return-on-equity of TNL Shares via the purchase of TNL Shares in the market;
- (c) The Proposed Share Buy-Back may enhance the earnings per share of the Company (in the case where the Board resolves to cancel the shares so purchased) and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company; and
- (d) If the shares bought back are kept as treasury shares, it will give the Board an option to sell the shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the shares so purchased can be distributed as share dividends to shareholders.

However, the Proposed Share Buy-Back, if exercised, will reduce the financial resources of the Company, which may result in the Company foregoing other investment opportunities that may emerge in the future and may also reduce the amount of cash dividends that can be declared to shareholders. Nevertheless, the Board will be mindful of the interests of the Company and the shareholders in implementing the Proposed Share Buy-Back.

### 4. SOURCE OF FUNDS AND TREATMENT

#### 4.1 SOURCE OF FUNDS

The Company proposes to utilize internally generated funds to finance the Proposed Share Buy-Back. The Board proposes to allocate a maximum amount of up to the latest audited retained profits and/or share premium account of the Company for the purchase of its own shares subject to compliance with Section 127 of the Companies Act 2016 ("the Act") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase. As at 31 March 2019, the Company's audited retained earnings amounted to RM 69.6 million. As at 28 June 2019, the latest date practicable prior to the printing of this statement, the latest quarterly report of the Company as at 28 June 2019 were not yet available.

#### 4.2 TREATMENT OF PURCHASED SHARES

Section 127 of the Act allows treatment of purchased shares to be cancelled upon purchase, held as treasury shares or combination of both. Purchased shares held as treasury shares may be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or subsequently cancelled.

TNL may only purchase its own shares at a price which is not more than 15% above the weighted average market price ("WAMP") of TNL Shares for the past five (5) market days immediately preceding the date of the purchase(s).

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

The treasury shares arising from the share buy-back shall be resold or transferred, if so determined by the Board, at a price that is:-

- (a) not less than the weighted average market price ("WAMP") of TNL Shares for the past five (5) market days immediately preceding the date of the resale(s) or transfer(s);
- (b) at a discount of not more than five percent (5%) to the five (5) market days WAMP of TNL Shares immediately prior to the resale or transfer, provided that:-
  - (i) the resale or transfer take place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either retain the purchased Shares or cancel them or a combination of both following any transactions executed pursuant to the approval granted under the Proposed Share Buy-Back.

### 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, net tangible assets ("NTA"), working capital, cash flow, earnings, substantial shareholders' shareholdings in TNL and Directors' shareholdings in TNL assuming that the Company purchases up to a maximum of ten percent (10%) of the total number of issued shares as at 28 June 2019 and that the TNL Shares purchased are cancelled, are as set out below.

## 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK (cont'd)

### 5.1 SHARE CAPITAL

The effect of the Proposed Share Buy-Back on the total number of issued shares of the Company as at 28 June 2019 is as follows:

	No. of TNL Shares#
Total number of issued shares as at 28 June 2019	460,775,486
Maximum no. of ordinary shares to be purchased and cancelled pursuant to the Proposed Share Buy-Back	<u>(46,077,548)</u>
Resultant total number of issued shares after the Proposed Share Buy-Back	<u>414,697,938</u>

Notes:

- # The total number of issued shares is inclusive of the treasury shares held by the Company. As at 28 June 2019, the number of TNL Shares held as treasury shares are 5,768,995 none of which are cancelled.

However, the Proposed Share Buy-Back will have no effect on the total number of issued shares if all the TNL Shares purchased are to be retained as treasury shares.

### 5.2 NET ASSETS ("NA"), WORKING CAPITAL AND CASH FLOW

The effect of the Proposed Share Buy-Back on the consolidated NA per ordinary share will depend on the purchase prices of the TNL Shares and any loss in interest income to the Company.

The Proposed Share Buy-Back would reduce the consolidated NA per ordinary share when the purchase price exceeds the consolidated NA per ordinary share at the relevant point in time. Conversely, the consolidated NA per ordinary share would be increased when the purchase price is less than the consolidated NA per ordinary share at the relevant point in time.

The Proposed Share Buy-Back would reduce the working capital and cash flow of the TNL Group, the quantum of which will depend on the purchase prices of the TNL Shares and the number of TNL Shares purchased.

### 5.3 EARNINGS

The effect of the Proposed Share Buy-Back on the EPS of the TNL Group will depend on the purchase prices of the TNL Shares and any loss in interest income to the Company. In the event the TNL Shares purchased are held as treasury shares or cancelled, the lower number of TNL Shares used in the computation of the earnings per share is expected to result in a general increase in the earnings per share of the TNL Group for the financial year ending 31 March 2020.

### 5.4 GEARING

The effect of the Purposed Share Buy-Back in the gearing of the Company will depend on the proportion of borrowings utilised to fund any purchase of TNL Shares. The utilisation of any borrowings to fund the purchase of any TNL Shares will serve to increase the gearing of the Company.

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## 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK (cont'd)

### 5.5 SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS

Assuming that the Proposed Share Buy-Back is implemented in full and that the TNL Shares are purchased from shareholders other than Company's the Directors, existing substantial shareholders and persons connected of to them, the effect of the Proposed Share Buy-Back on the shareholdings of the existing substantial shareholders, directors and persons connected to them as at 28 June 2019, are as follows:-

Directors, Major Shareholders and/or Persons Connected	As at 28 June 2019			After the Proposed Share Buy-Back		
	No. of Shares (Direct)	%	No. of Shares (Indirect)	No. of Shares (Direct)	%	No. of Shares (Indirect)
<b>Directors</b>						
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	765,000	0.17	-	765,000	0.18	-
Ong Yoong Nyock (a)	87,551,180	19.25	(a) 144,144,865	87,551,180	21.11	(a) 144,144,865
Yong Kwee Lian (b)	4,896,000	1.07	(b) 226,800,045	4,896,000	1.18	(b) 226,800,045
Ong Wei Kuan	255,000	0.06	-	255,000	0.06	-
Chang Chu Shien	1,224,000	0.27	-	1,224,000	0.30	-
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-	-	-
Yong Seng Huat (c)	-	-	(c) 10,200	-	-	(c) 10,200
Ling Cheng Fah @ Ling Cheng Ming	15,300	*	-	15,300	*	-
Datuk Haji Muhamad Shapiae bin Mat Ali	-	-	-	-	-	-
<b>Substantial Shareholders</b>						
TNTT Realty Sdn Bhd	121,095,415	26.63	-	121,095,415	29.20	-
Ong Yoong Nyock (a)	87,551,180	19.25	(a) 144,144,865	87,551,180	21.11	(a) 144,144,865
Yong Kwee Lian (b)	4,896,000	1.07	(b) 226,800,045	4,896,000	1.18	(b) 226,800,045
<b>Persons Connected</b>						
Ong Weng Seng	74,000	0.02	-	74,000	0.02	-
Ong Yong Meng	224,260	0.05	-	224,260	0.05	-
Yong Wei Lian	-	-	(d)	-	-	(d)
Pan Chee Seng (d)	-	-	-	-	-	-
Wong Swee Siong	439,020	0.10	-	439,020	0.11	-

Notes:

\* Negligible

(a) Deemed interested by virtue of his substantial shareholdings in TNTT Realty Sdn Bhd and Renitrans Sdn Bhd and the shareholdings of his spouse, Madam Yong Kwee Lian.

(b) Deemed interested by virtue of her substantial shareholdings in TNTT Realty Sdn Bhd and Renitrans Sdn Bhd and the shareholdings of her spouse, Mr. Ong Yoong Nyock.

(c) Deemed interested by virtue of the shareholdings of his spouse, Madam. Ng Lee Lee.

(d) Deemed interested by virtue of the shareholdings of his spouse, Madam. Yong Wei Lian.

## 6. PUBLIC SHAREHOLDING SPREAD

The Proposed Share Buy-Back will be carried out in accordance with prevailing laws at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required under Paragraph 3.06 (1) of the Listing Requirements. As at 28 June 2019, the Record of Depositors of TNL showed 454,806,491 Shares representing approximately 48.45% of the total number of issued shares of TNL, being held by 5,125 public shareholders holding not less than 100 TNL Shares each. The public shareholding spread would be reduced to approximately 43.47% assuming, the Proposed Share Buy-Back is implemented in full and the shares purchased are from public shareholders are either cancelled or held as treasury shares.

## 7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the directors and major shareholders of TNL as a consequence of the Proposed Share Buy-Back, none of the directors and/or major shareholders of the Company or persons connected to them, have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares.

## 8. RECOMMENDATION OF DIRECTORS

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that it is in the best interest of TNL and accordingly, recommends that you vote in favour of the ordinary resolution pertaining to renewal of shareholders' approval for the Proposed Share Buy-Back at the forthcoming AGM.

## 9. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVER AND MERGERS, 2016 ("THE CODE")

The Board is mindful of any potential implications relating to the Code and does not intend to undertake the Proposed Share Buy-Back such that it will cause any party to trigger any obligation to undertake Mandatory Offer pursuant to the Code. However, in the event an obligation to undertake a Mandatory Offer is expected to arise with respect to any parties resulting from the Proposed Share Buy-Back which is an action outside its direct participation, the relevant parties shall make the necessary application to the Securities Commission for an exemption from undertaking the Mandatory Offer under the Code prior to any buy-back of the Shares.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of the Company, who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any information, data or statement herein misleading.

## 11. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for further information.

This Statement is dated 26 July 2019.

PART B

CIRCULAR TO SHAREHOLDERS  
in relation to the

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")



## TIONG NAM LOGISTICS HOLDINGS BERHAD

(COMPANY NO. 182485-V)  
(Incorporated in Malaysia)

### Registered Office

Suite 9D, Level 9  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim

26 July 2019

### Board of Directors

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan (Independent Non-Executive Chairman)  
Ong Yoong Nyock (Non-Independent Managing Director)  
Yong Kwee Lian (Non-Independent Executive Director)  
Ong Wei Kuan (Non-Independent Executive Director)  
Chang Chu Shien (Non-Independent Non-Executive Director)  
Ong Eng Teck @ Ong Eng Fatt (Non-Independent Non-Executive Director)  
Yong Seng Huat (Non-Independent Non-Executive Director)  
Ling Cheng Fah @ Ling Cheng Ming (Independent Non-Executive Director)  
Datuk Haji Muhamad Shapiae Bin Mat Ali (Independent Non-Executive Director)

### To: The Shareholders of Tiong Nam Logistics Holdings Berhad

Dear Sir/Madam

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

#### 1. INTRODUCTION

On 25 August 2018, the shareholders of the Company had approved the shareholders' mandate in relation to the recurrent related party transactions of revenue or trading nature for the TNL Group. The aforesaid Shareholders' Mandate is subject to annual renewal and will expire at the conclusion of the Company's forthcoming Thirtieth Annual General Meeting ("30th AGM") unless such authority is renewed by an ordinary resolution passed at the AGM.

On 3 June 2019, the Board of Directors of the Company announced the Company's intention to seek shareholders' approval for the proposed shareholders' mandate for Recurrent Related Party Transactions of revenue or trading nature at the forthcoming 30th AGM of the Company which will be held on 24 August 2019.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate and to seek the approval of the shareholders of the Company for the Proposed Shareholders' Mandate at the forthcoming AGM.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

#### 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

##### 2.1 INTRODUCTION

Pursuant to paragraph 10.09, Chapter 10 of the Listing Requirements and Practice Note 12, where any Related Party Transactions of a revenue or trading nature in the ordinary course of business are entered into between a listed issuer or its subsidiaries with a Related Party, the listed issuer may seek a shareholders' mandate in respect of such transactions subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where:
  - (a) in relation to a listed issuer with an issued and paid-up capital of RM 60 million and above:

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.1 INTRODUCTION (cont'd)

- (aa) the consideration, value of assets, capital outlay or costs of the recurrent transactions is equal to or exceeds RM 1 million;  
or
  - (bb) the percentage ratios of such recurrent transactions are equal to or exceeds 1%
- whichever is the higher; or
- (b) in relation to a listed issuer with an issued and paid-up capital which is less than RM 60 million:
    - (aa) the consideration, value of assets, capital outlay or costs of the recurrent transactions is equal to or exceeds RM 1 million;  
or
    - (bb) the percentage ratios of such recurrent transactions are equal to or exceeds 1%
- whichever is the lower.
- (iii) issuing of a circular to shareholders by the listed issuer; and
  - (iv) where it involves the interest of a Director, Major Shareholder or person connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolutions approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolutions approving the transactions.
  - (v) the listed issuer announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

The Board is now seeking the approval of the shareholders of the Company for the Proposed Renewal of Shareholders' Mandate, which will allow TNL Group, in its ordinary course of business, to enter into the Recurrent Related Party Transactions referred to below with the classes of Related Parties provided that such transactions are made on an arm's length basis, on TNL Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming 30th AGM, will continue to be in force until:

- (i) the conclusion of the next AGM following the 30th AGM at which such ordinary resolutions for the Proposed Renewal of Shareholders' Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed.
- (ii) the expiration of the period within the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting whichever is the earlier.

Thereafter, approval from shareholders for a renewal of the mandate in relation to the RRPTs will be sought at each subsequent AGM of the Company.

Disclosure made on the recurring related party transactions can be found in the Annual Report of the Group for the FYE 31 March 2019 in Note 31 of the said report.

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.2 PRINCIPAL ACTIVITIES OF TNL AND TNL GROUP

The principal activities of the Company are investment holding, trading of diesel and petrol, and provision of management services.

The principal activities of its subsidiaries are as follows:

Subsidiaries	% in Equity Interest	Immediate Holding Company	Principal Activities
Anugerah Sensasi Sdn Bhd ("ASSB")	100	TNL	Property investment
Bagus Cekal Sdn Bhd ("BCSB")	100	TNL	Dormant
Belaian Pinang Sdn Bhd ("BPSB")	100	TNL	Provision of transportation services
Dragon 2012 Sdn Bhd ("D2012SB")	100	TNL	Property development
Fair Vista Sdn Bhd ("FVSB")	100	TNL	Property development
Far East West Lands Sdn Bhd ("FEWLSB")	100	TNL	Provision of transportation services
Front Field Sdn Bhd ("FFSB")	100	TNL	Provision of transportation services
G-Force Logistics Solutions Sdn Bhd ("GFLS")	100	TNL	Provision of total logistic services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, container haulage services, forwarding, project cargoes
Integriti Kaliber Sdn Bhd ("IKSB")	100	TNL	Hostel management and related services
Japan Original Electric (M) Sdn Bhd ("JOESB")	51	TNLS	Property development
Jelas Bagus Sdn Bhd ("JBSB")	100	TNL	Property development
LT Growth Sdn Bhd ("LTG")	100	TNLS	Trading of foodstuff
Medini Heritage Sdn Bhd ("MHSB")	100	TNL	Property development
Pacific Transport Sdn Bhd ("PTSB")	100	TNL	Property letting
Pengangkutan Enepec Sdn Bhd ("PESB")	100	TNL	Provision of transportation services
Semangat Angkut Sdn Bhd ("SASB")	100	TNL	Provision of transportation services
Terminal Perintis Sdn Bhd ("TPSB")	100	TNL	Property development
Tiong Nam (Sarawak) Sdn Bhd ("TNSWK")	100	TNLS	Provision of air, ocean & overland freight forwarding, custom brokerage, heavy bulking, long length equipment/machinery transportation & rigging, container inland haulage, general cargo transportation & bonded truck facilities, container depot & warehousing & distribution, project transportation & handling
Tiong Nam Allied Container Depot Services Sdn Bhd ("TNASB")	100	TNLS	Provision of container warehouse and services
Tiong Nam Ebiz Express Sdn Bhd ("TNEE")	100	TNLS	Provision of transport and distribution services
Tiong Nam Heavy Transport & Lifting Sdn Bhd ("TNHT")	100	TNL	Provision of transportation of heavy and project cargo
Tiong Nam Logistics Myanmar Co Ltd ("TNLMN")	100	TNLS	Provision of total logistics services and warehousing

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.2 PRINCIPAL ACTIVITIES OF TNL AND TNL GROUP (cont'd)

The principal activities of the Company are investment holding, trading of diesel and petrol, and provision of management services. (cont'd)

The principal activities of its subsidiaries are as follows: (cont'd)

Subsidiaries	% in Equity Interest	Immediate Holding Company	Principal Activities
Tiong Nam Logistics Sdn Bhd ("TNLSB")	100	TNL	Provision of transportation services, warehousing and property development
Tiong Nam Logistics Solutions (Lao) Co Ltd ("TNLS(L)")	100	TNL	Provision of total logistics services and warehousing
Tiong Nam Logistics Solutions (Shenzhen) Co Ltd ("TNLS(SZ)")	100	TNLS	Provision of total logistics services and warehousing
Tiong Nam Logistics Solutions Sdn Bhd ("TNLS")	100	TNL	Provision of total logistic services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, container haulage services, forwarding, project cargoes
Tiong Nam Logistics Vietnam Co Ltd ("TNLVN")	100	TNLS	Provision of total logistics services and warehousing
Tiong Nam Logistics (S) Pte. Ltd. ("TNS")	100	TNL	Provision of total logistics services and warehousing
Tiong Nam Properties Sdn Bhd ("TNP")	100	TNL	Administrative and agent commission agents
Tiong Nam Resources Sdn Bhd ("TNR")	60	TNTTSB	Provision of air freight and cargo services
Tiong Nam Truck Rental Services Sdn Bhd ("TNTR")	100	TNLS	Rental of material handling equipments
Tiong Nam Warehousing (Sarawak) Sdn Bhd ("TNW")	100	TNLS	Provision of public bonded warehousing and distribution services, total gas and chemical warehousing management and services
TN Transport & Warehousing Pte Ltd ("TNTW")	100	TNS	Provision of freight forwarding services.
TNTT Packages Express Pte Ltd ("TNTTPL")	90	TNL	Dormant
TNTT Packages Express Sdn Bhd ("TNTTSB")	60	TNEE	Provision of transport and distribution services
Yakin Kaliber Sdn Bhd ("YKSB")	100	TNL	Dormant

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## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows:

- (a) Mr Ong Weng Seng ("OWS") and Mr Ong Yong Meng ("OYM"), both are brothers of OYN,
- (b) Madam Yong Wei Lian ("YWL"), sister of YKL,
- (c) Mr Pan Chee Seng ("PCS"), husband of YWL,
- (d) Mr Wong Swee Siong ("WSS"), brother-in-law of YKL.

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(1) Linocraft Printers Sdn Bhd ("LPSB")	LPSB is 70% owned by Charlecote Sdn Bhd ("CSB")  CSB is 50% and 50% owned by OYN and YKL respectively.  OYN is a director in LPSB and owned 11% share.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing, container haulage services and general warehousing facilities provided by TNL & TNLS.  Charge payable for printing of company's shareholders' circulars, annual report, carton box, A4 (TN) manual and ad-hoc brochures provided to TNL.	3,350	2,371	3,350
(2) TN Transport & Warehousing Pte Ltd ("TNTW") (Singapore)	OYN – 50% YKL – 50%  Both OYN and YKL are directors in TNTW.	Rent payable for rental of general warehouse at 25 Senoko Loop, Woodland East Industrial Estate, Singapore 758158. - size of rented premise: 16,562 sq ft. - frequency of payment: Monthly provided to TNLS  Forwarding and related services such as handling, forklifts services, stuffing and unstuffing provided to TNLS.  Warehouse management services provided to TNLS.  The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to shareholder dated 27.7.2018 due to higher warehouse management services charges to TNLS.	1,650	-	1,650
			7,500	3,890	7,500
			4,500	5,003	5,500



2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(3) Tiong Nam Holdings Sdn Bhd ("TNH") and the following wholly owned subsidiaries: - Generation Essential Enterprise Sdn Bhd ("GE") - Melia Legend Sdn Bhd ("ML")	OYN – 70% YKL – 30%  OYN is a director in TNH and OWS and OYM are directors in the following wholly owned subsidiaries: - GE	Rent payable for rental of parking lot at PT 14340 & 14341, Mukim Damansara, Shah Alam - size of rented premise: 110,000 sq ft. - frequency of payment: Monthly provided to TNLS	1,200	1,095	1,200
(4) Blossom Paragon Sdn Bhd ("BPSB")	PCS – 50%  PCS is a director in BPSB.	Income from freight provided by TNL Group.  Charges payable for printing and installation of signage provided to TNL Group	60  40	-  -	60  40
(5) G-Force Sdn Bhd ("GFSB") and the following wholly owned subsidiaries: - Trans-Crest Sdn Bhd ("TC") - GFA Logistics Sdn Bhd ("GFA")	OWS – 39.1% OYM – 39.6%  Both OWS and OYM are directors in GFSB and the following wholly owned subsidiaries: - TC - GFA	Income from rental of general warehouse in Shah Alam. - size of rented space :5,000 sq ft. - frequency of payment : Monthly  Transportation and related services, container haulage services, sale of diesel, NGV gas, and other transportation accessories.  Rent payable for rental of general warehouses in Shah Alam and Johor Bahru and coldroom facilities in Shah Alam.	100  10,000  13,420	25  -  17,236	100  10,000  20,500
<b>Estimated Rental Payable</b>			<b>RM '000</b>		
<b>Address</b>					
Lot 16875 & 16876, Mukim Damansara, Shah Alam					
- size of rented premise: 86,012 sq ft. - frequency of payment: Monthly					

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Rental Payable RM '000	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(5) GFSB and the following wholly owned subsidiaries: - TC - GFA (Cont')		<b>Address</b> Lot 61383, Bangi Coldroom - size of rented premise: 40,004 sq ft. - frequency of payment: Monthly Plo 26, Pasir Gudang, Johor Bahru - size of rented premise: 94,500 sq ft. - frequency of payment: Monthly Lot 41431, Pekan Hicom, Shah Alam - size of rented premise: 85,000 sq ft. - frequency of payment: Monthly Lot 59803, 62043, Shah Alam - size of rented premise: 108,000 sq ft. - frequency of payment: Monthly Lot 2-30,32 & 34 - size of rented premise: 200,964 sq ft. - frequency of payment: Monthly Lot 640, Kuching - size of rented premise: 94,600 sq ft - frequency of payment : Monthly The above warehouse and coldroom facilities are provided to TNLS.	6,000  1,000  1,700  1,800  3,000  2,500			5,900  -  5,900
		Charges payable for forwarding and transportation services, handling and provision of accountancy service provided to TNLS, PTSB, GFLS and TNSWK. Explanation due to higher rental payable of warehouse.				
		The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to shareholder dated 27.7.2018 due to higher rental charges to TNLS.				

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(6) Terbit Watan Sdn Bhd ("TWBSB")	YWL – 50%	Income from sale of trucks.	1,000	-	1,000
(7) Tiong Wang Movers (JB) Sdn Bhd ("TWMJIB")	OYM – 30% OWS – 70%	Income from rental of office at Lot 30462 Jalan Kempas Baru, Johor Bahru - size of rented premise: 558 sq ft. - frequency of payment: Monthly provided by TNLS	25	3	25
	Both OYM and OWS are directors in TWMJIB.	Transportation and related services, handling, forklift services and trucking provided by TNLS and TNHT.	130	15	130
		Charges payable for transportation and related services such as forwarding, handling, forklifts services, labour, repairs, loading and unloading, maintenance of warehouses provided to TNLS, TNHT and TNS.	1,600	304	1,600
(8) Trinity Legend Sdn Bhd ("TLSB")	OYN – 50% OWK – 50%	Rent payable for rental of parking lot at Lot PT 28722, Mukim Damansara, Selangor - size of rented premise: 48,420 sq ft. - frequency of payment: Monthly provided to TNHT.	300	(32)	300
(9) Fastrans Sdn Bhd ("FTSB")	OYN – 70% YKL – 30%	Rent payable for rental of office block at Lot 30462, Kempas, provided to TNLS. - size of rented premise: 87,120 sq ft. - frequency of payment: Monthly	3,500	2,725	3,500
(10) Theak Yuan Elektrik Engineering Sdn Bhd ("TYESB")	WSS is a director in TYESB.	Charges payable for construction works provided to FVSB	4,000	-	4,000

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows: (cont'd)

	Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(11)	Tiong Wang Movers (KL) Sdn Bhd ("TWMK'L")	OYM - 49%  OYM is a director in TWMK'L.	Charge payable for hire of motor vehicle for TNHT.	50	-	50
(12)	TN Logistics Solutions Co Ltd ("TNLSCL")	OYN, OYM and OKW are directors in TNLSCL.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing provided by TNLS.	1,000	(2)	1,000
(13)	Attractive Zone Sdn Bhd ("AZSB")	OYN – 55%  OYN is a director in AZSB.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing provided by TNLS.  Charge payable for project management fee provided to TNP and FVSB.	50  550	-  47	50  550
(14)	GF Equipment Rental Sdn Bhd ("GFER") and the following wholly owned subsidiaries: - GF Forklift Services (Penang) Sdn Bhd ("GFFS") - G-Force Equipment Services Sdn Bhd ("GFES") - Mach 1 Equipment Services Sdn Bhd ("M1ES") - Mach 1 Heavylift & Equipment Sdn Bhd ("M1HE") - Mach 1 Hyster Sdn Bhd ("M1H")	PCS –25%	Purchase, hire and repair & maintenance of crane and forklifts provided to TNLS, TNS, TNHT and PTSB.  Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing and sale of diesel provided by TNLS and TNLHB.  The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 27 July 2018 due to more repair and maintenance services provided to the TNL Group and more transportation services provided by TNL Group.	9,950  130	12,595  292	15,500  450

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr. Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following persons connected to them are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(16) Aspirasi Ternama Sdn Bhd ("ATSB")	OYN – 47.5%	Charge payable for project management fee provided to TNP.	400	-	400
<b>The Total Actual Value transacted did not exceed Total Estimated Value by more 10% or more</b>			<b>70,505</b>	<b>45,567</b>	<b>84,455</b>

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.2 The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(1) Semangat Forwarding Agent Sdn Bhd ("SFA") (Cont')	OWK – 5.5 %	Income from rental of offices at:- i) Lot 2 Padang Besar - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly  ii) Lot 24 Johor Port Pasir Gudang -size of rented premise: 1,000 sq ft. - frequency of payment: Monthly  iii) D28A, Pelabuhan Tanjung Pelepas -size of rented premise: 1,500 sq ft. - frequency of payment: Monthly  iv) Lot 5, Port Klang. -size of rented premise: 5,000 sq ft. - frequency of payment: Monthly  The above office rentals are provided by TNLS and GFLS.  Freight income received provided by TNLS.	15	40	60
			15	10	15
			40	15	40
			100	71	100
			5	57	80
		Charges payable for forwarding, custom clearance and related services, telephone, handling, stuffing, and unstuffing, postages and travelling charges by TNLS and GFLS.	13,700	4,990	13,700

The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 27 July 2018 due to higher rental charges & more transportation services provided to SFA.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.2 The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(2) Dynamic Tyre Sdn Bhd ("DT")	OWK – 7 %	Income from rental of warehouse at Lot 30462 Jalan Kempas Baru, Johor Bahru provided by TNLS. - size of rented premise: 4,000 sq ft. - frequency of payment: Monthly	90	60	90
(3) Vyos Technology Sdn Bhd ("VTSB")	OWK – 7 %	Income from labour charges/freight income received from transportation services provided by TNLS.  Charges payable for purchases of tyres and accessories by TNLS, BPSB, FEWLSB, FFSB, PESB, SASB, TNLSB and TNHT.  Income from rental of offices at i) Lot 30462 Jalan Kempas Baru, Johor Bahru - size of rented premise: 3,600 sq ft. - frequency of payment: Monthly  ii) Lot 204, Lion Industrial park, Shah Alam -size of rented premise: 2,500 sq ft. - frequency of payment: Monthly both provided by TNLS  Income from telephone and telex services provided by GFLS.	15  6,000  80  40	8  4,012  -  -	15  6,000  80  40
		Charges payable for information technology services provided to TNLS, BPSB, JBSB, JOESB, FVSB, PTSB, PESB, TNLSB, TNS, TNHT, TNL, TNTR, TNNTSB, TNR, TPSB, FEWLSB, FFSB, SASB, TNCD and GFLS.	1,800	4	1,800

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.2 The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(4) TN Engineering Sdn Bhd ("TNE") and the following subsidiaries: - Power Auto Marketing Sdn Bhd ("PAM") (70%)	OWK – 10 %	Income from freight and sale of diesel provided by TNLS and TNLHB respectively.  Income from rental of warehouse and showroom, office and service center at i) Lot 203D, Gebeng Industrial Estate, Kuantan, provided by TNLS - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly  ii) Plot 112E, Bukit Mertajam, Seberang Perai, provided by TNLS - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly  iii) PTD 56039, Jalan Kempas Lama, Johor, provided by TNLS - size of rented premise: 6,862 sq ft. - frequency of payment: Monthly  Charges payable for repairs and maintenance services of lorries (including smash repairs), forklifts, mobile cranes and motor vehicles rendered to TNLS, BPSB, FEWLSB, FFSB, PTSB, PESB, SASB, TNLSB and TNHT.	120	241	350
			58	15	58
			21	-	21
			120	91	120
			8,700	2,640	8,700

The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 27 July 2018 due to more transportation services & higher sales of diesel provided by TNLS & TNLHB respectively.



2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.2 The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows: (cont'd)

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(5) TN Engineering (SA) Sdn Bhd ("TNESA")	OWK – 8 %	Income from freight and sale of diesel provided by TNLS and PTSB.  Income from rental of service centers and hostel at i) Lot 92, 93, 94 & 240, Shah Alam - size of rented premise: 27,137 sq ft. - frequency of payment: Monthly  ii) Lot 204, Shah Alam, - size of rented premise: 1,826.13 sq ft. - frequency of payment: Monthly both provided by TNLS	120  750  20	-  -  -	120  750  20
(6) TN Fabrication Assembly & Engineering Works Sdn Bhd ("TNFA")	OWK – 7 %	Charges payable for repairs and maintenance services of lorries (including smash repairs), forklifts, mobile cranes, motor vehicles and compressor rendered to TNLS, BPSB, FEWLSB, FFSB, PTSB, PESB, SASB, TNLSB, TNHT and TNTTSB	1,200	-	1,200
(7) Create Fortune Enterprise Sdn Bhd ("CFE")	OWK is a director in CFE.	Income from freight provided by TNLS.  Charges payable for purchases of trailers and trucks accessories by TNL Group.  Rent payable for rental of land at Lot 351, Pelabuhan Tanjung Pelepas - size of rented land: 8,000 sq ft. - frequency of payment: Monthly provided to TNLS  Charges payable for warehouse utilities by TNLS.	10  3,075  120	-  -  19	10  3,075  120
The Total Actual Value transacted did not exceed Total Estimated Value by 10% or more			36,229	12,273	36,579

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.3 The nature of transactions with a Related Party of which the Director of the Company, Mr Chang Chu Shien ("CCS") is a shareholder and a director and therefore has financial interest in the Company are as follows:

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(1) Straits View Hotel Sdn Bhd	CCS – 20.49%	Rent payable for rental of a general warehouse at			
	CCS is a director in Straits View Hotel Sdn Bhd	(i) Lot 2-43 & 2-45, Lion Industrial Park, Shah Alam. - size of rented premise: 46,866 sq ft. - frequency of payment: Monthly	920	600	920
		(ii) Lot 2-13, Lion Industrial Park, Shah Alam. - size of rented premise: 34,197 sq ft. - frequency of payment: Monthly both provided to TNL	610	410	610
The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to increase of rental charged to the TNL Group.					
The Total Actual Value transacted did not exceed Total Estimated Value by 10% or more			1,530	1,010	1,530

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS (cont'd)

2.3.4 The nature of transactions with the Related Parties involving the interest of Directors, major shareholders and person connected of the Company are as follows:

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 27.7.2018 RM'000	Actual Value transacted from date of last AGM on 25.8.2018 to latest practicable date (28.6.2019) RM'000	Estimated value of transactions from 24.8.2019 to next AGM RM'000
(1) OYN and YKL and person connected to them(a)	N/A	Property letting to or from related party - Rental of land and buildings  Constructions related activities with related party - Constructions works of warehouses, property developments  Provision of transportation and related services - Provision of total logistics services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, container haulage services, forwarding, and project cargoes.	30,000	720	30,000

The Total Actual Value transacted did not exceed Total Estimated Value by 10% or more

Notes:

(a) Mr Ong Weng Seng, Mr Ong Yong Meng, Mdm Yong Wei Lian, Mr Pan Chee Seng, Mr Wong Swee Siong.

The estimated values of transactions from 24 August 2019 to next AGM (in RM'000) are based on historical records and/or management estimates such value may vary and are subject to changes, and are based on the timeframe from the forthcoming AGM on 24 August 2019 to the next AGM.

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)

### 2.4 AMOUNT DUE OR OWING TO TNL GROUP BY RELATED PARTIES

As at 31 March 2019, the amount due or owing by related parties under the recurrent transactions which exceeded the credit terms are as follows:-

Related Party	Amount due which exceeded the credit terms ("Overdue Sum") (RM'000)			
	≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years
Dynamic Tyre Sdn Bhd ("DT")	13	-	-	-
GF Forklift Services (Penang) Sdn Bhd ("GFFS")	9	-	-	-
GF Equipment Rental Sdn Bhd ("GFER")	6	-	-	-
Linocraft Printers Sdn Bhd ("LPSB")	561	-	-	-
Tiong Wang Movers (JB) Sdn Bhd ("TWMJB")	1	-	-	-
TN Engineering Sdn Bhd ("TNE")	216	-	-	-

There are no late payment charges imposed by the Group for the above overdue trade receivables as a gesture of goodwill taking into consideration the on-going relationship between the parties. The management monitors and analyses the outstanding debts on regular basis and follow up on the status of the case and will take appropriate action to recover outstanding amounts. The Board is aware of the outstanding amount that exceed the credit period and opined that outstanding debts exceeding credit period do occur in the normal course of business and is of the opinion that there will be no recoverable issue as the related parties is the Group's long trading partners with good credit standing. The amount owing by DT & TWMJB have been fully settled in April 2019. The amount owing by GFFS, GFER & TNE have been fully settled in May 2019. The amount owing by LPSB have been fully settled in June 2019.

The Board has instructed the management to monitor and follow up on related parties collection. The Group will continue its policy to recover outstanding debts by regular contact and phone calls with the debtors, including related parties, failing which to initiate legal action to recover the debts.

### 2.5 METHODS OR PROCEDURES ON WHICH TRANSACTIONS PRICES ARE DETERMINED AND REVIEW PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Group has established the following procedures to ensure that the RRPT are undertaken at arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Related Parties than those generally available to the public and are not detrimental to TNL's minority shareholders.

These procedures include the following:

- (i) All companies within the Group have been informed of the definition of Related Party(ies) and that all RRPT are required to be undertaken on arm length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) All RRPT are necessary for day-to-day operations. These transactions may be constrained by the proprietary nature and confidentiality of such transactions. For transaction where it is vital that confidentiality be maintained, it will not be feasible for the Group to obtain quotation or comparative pricing from unrelated third parties as this will entail the release of details of the transaction and may adversely affect the interests of the Group and place the Group at a disadvantage to its competitors. Where practical and/or feasible, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities would be used as comparison, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and or quantities. The rental is determined based on per square foot basis at prevailing market rates after taking into consideration of the building structural conditions and is on terms that are not more favourable to the Related Party than those generally available to the public and not detrimental to the minority shareholders. Where it is impractical to obtain quotation or comparative pricing from unrelated third party, the transaction should be transacted at the usual commercial terms (including where appropriate usual preferential rates and discounts) and otherwise in accordance with applicable industry norms. Preferential rates and discounts shall be considered based on volume and total value of transactions per month;
- (iii) Where applicable, the terms of the pricing of the RRPT will be consistent with the Group's usual business practices and policies and will take into consideration the terms and conditions, level of service and expertise required, quality, reliability and consistency of products and services as compared with the prevailing market rate of prices and general practices by other service providers of similar capacity and capability;
- (iv) All RRPT will be reviewed by the Audit Committee of the Company on a yearly basis. Any member of the Audit Committee may as he deems fit, request for additional information pertaining to the RRPT from independent sources or advisers;
- (v) The Audit Committee shall review procedures, and shall continue to review the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (vi) The annual internal audit plan shall incorporate procedures to ensure that the RRPT have been entered into in accordance with the review procedures. Any divergence will be reported to the Audit Committee;
- (vii) If a member of the Board or the Audit Committee has an interest in the transaction, he will abstain from any decision making by the Board or the Audit Committee in respect of the transaction; and
- (viii) There is no specific threshold for approval of RRPT. However, all RRPT are approved by authorized senior executives such as Chief Operating Officer, Financial Controller and General Managers who are having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (cont'd)**

### **2.6 DISCLOSURE**

Disclosure will be made in accordance with Section 3.1.5 of the Practice Note No. 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:-

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

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

### **2.7 AUDIT COMMITTEE STATEMENT**

The Audit Committee members are Mr. Ling Cheng Fah, Datuk Haji Muhamad Shapiae Bin Mat Ali and Mr Yong Seng Huat.

The Audit Committee has seen and reviewed the procedures and prices of the Recurrent Related Party Transactions and is satisfied that the Recurrent Related Party Transactions are carried out on terms not more favourable to the Related Parties than those generally available to the general public and are not detrimental to the minority shareholders. The Audit Committee is satisfied with the guidelines in relation to Recurrent Related Party Transactions and that the procedures in Section 2.5 are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee shall review the RRPT on a quarterly basis and also review the established guidelines and procedures annually to ascertain their compliance. If during the periodic reviews, the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPT:

- (i) will be conducted on an arm's length basis;
- (ii) are on normal commercial terms in the ordinary course of business;
- (iii) are not more favourable to the Related Parties than those generally available to the public;
- (iv) are not more prejudicial to the interests of shareholders; and
- (v) are not detrimental to the interests of minority shareholders,

the Company will seek a fresh mandate based on new guidelines and procedures.

## **3. RATIONALE AND BENEFITS**

The Group has long standing business relationship of between one (1) to thirty (30) years with the Related Parties. The principal activities of the Group are the provision of total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehouse services, container haulage services, coldroom facilities and sale of diesel, NGV gas and accessories and property development. The Group outsources forwarding services, repair and maintenance services (including smash repairs), purchase of tyres and tubes, spare parts, accessories and trailers for trucks and related accessories, information technology services on software and hardware, customization of logistics, total logistics and warehouse management systems to the mandated Related Parties to ensure that such services are provided efficiently to our customers. Conversely, our Group also provides rental of offices and warehouses, freight and labour services and sale of used trucks to these related parties.

In the case of purchase of properties by the Related Parties, this reflects the confidence and commitment of the Related Parties in/to the Group's own property development projects. The transaction price will be determined by the Group based on that offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the Recurrent Related Party Transaction is not detrimental to the Group.

The obtaining of the Proposed Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meeting from time to time to seek shareholders' approval as and when the Recurring Related Party Transactions with mandated Related Parties arise thereby reducing substantially administrative time, inconveniences and expenses associated with convening such meetings.

The transactions with mandated Related Parties over the last one (1) to thirty (30) years have benefited the Group substantially as the mandated Related Parties have introduced to the Group their customers in Singapore and Peninsular Malaysia for total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehouse facilities, coldroom facilities, project cargo facilities and container haulage facilities for mutual benefits. These transactions have enhanced the revenue and services provided by the Group and has enable the Group to continue to expand its customer base and thereby expand its total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehousing services, coldroom facilities, project cargo facilities and container haulage facilities.

## **4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is not expected to have no material effect on the issued and paid up share capital and gearing of the Company but is expected to have a positive effect on the earnings and the net assets of the Group for the FYE 31 March 2020 as a result of increase in revenue and also increase in number of customers.

## **5. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company to be obtained at the forthcoming AGM.

## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in Section 2.3 above, none of the other Directors, Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate. The interested Directors and interested Major Shareholders, Mr. Ong Yoong Nyock and Madam Yong Kwee Lian, and interested Directors, Mr. Ong Wei Kuan will abstain from voting on Resolution 7 and Resolution 8 respectively in the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

The interested Directors Mr. Ong Wei Kuan has undertaken that he will ensure that the persons connected with him abstain from voting on the Resolution 8, deliberating or approving on the Proposed Shareholder's Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

The interested Director, Mr. Chang Chu Shien has undertaken that he will ensure that the persons connected with him abstain from voting on the Resolution 9 deliberating or approving on the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

In addition, the said interested Directors and interested Major Shareholders have undertaken to ensure that persons connected to them as disclosed in 2.3.1, from page 12 to page 17 of this Circular, Mr. Ong Yong Meng and Mr. Ong Weng Seng, who are brothers of Mr. Ong Yoong Nyock; and Madam Yong Wei Lian, who is sister of Madam Yong Kwee Lian; and Mr. Pan Chee Seng, who is husband of Madam Yong Wei Lian, and Mr. Wong Swee Siong, who is brother-in-law of Madam Yong Kwee Lian, will abstain from voting on Resolution 7 deliberating or approving on the Proposed Shareholder's Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM. Mr. Ong Yong Meng, Mr. Ong Weng Seng, Madam Yong Wei Lian, Mr. Pan Chee Seng and Mr. Wong Swee Siong will also abstain from voting on Resolution 7 deliberating or approving on the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

The interested major shareholder, TNTT Realty Sdn Bhd, will abstain from voting in respect of its direct and/or indirect shareholdings at the forthcoming AGM in respect of the resolution in which it has an interest as particularized in Section 2.3.

TNTT Realty Sdn Bhd has undertaken that they will ensure that persons connected with them as particularized in Section 2.3 will abstain from voting in respect of their direct and/or indirect shareholdings at the forthcoming AGM in respect of the resolution deliberating or approving in which they have an interest.

The aforesaid interested Directors have abstained and will continue to abstain from Board of Directors' deliberation and voting on the Board Resolution in relation to the Proposed Shareholders' Mandate.

The direct and indirect shareholdings of the interested Directors, Major Shareholders, Mr. Ong Weng Seng, Mr. Ong Yong Meng, Madam Yong Wei Lian, Mr. Pan Chee Seng and Mr. Wong Swee Siong in the Company as at 28 June 2019 are as follows:-

Interested Director(s) / Major Shareholder(s) and/or Person Connected to them	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Ong Yoong Nyock (a)	87,551,180	19.25	(a) 144,144,865	31.69
Yong Kwee Lian (b)	4,896,000	1.08	(b) 226,800,045	49.87
Ong Wei Kuan	255,000	0.06	-	-
Chang Chu Shien	1,224,000	0.27	-	-
TNTT Realty Sdn Bhd	121,095,415	26.63	-	-
Ong Weng Seng	74,000	0.02	-	-
Ong Yong Meng	224,260	0.05	-	-
Yong Wei Lian	-	-	-	-
Pan Chee Seng (c)	-	-	(c) -	-
Wong Swee Siong	439,020	0.10	-	-

The direct and indirect shareholdings of the Directors of the Company as at 28 June 2019 are as follows:

Director(s)	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato Fu Ah Kiow	765,000	0.17	-	-
Ong Yoong Nyock (a)	87,551,180	19.25	(a) 144,144,865	31.69
Yong Kwee Lian (b)	4,896,000	1.08	(b) 226,800,045	49.87
Ong Wei Kuan	255,000	0.06	-	-
Chang Chu Shien	1,224,000	0.27	-	-
Yong Seng Huat (d)	-	-	(d) 10,200	*
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-
Ling Cheng Fah @ Ling Cheng Ming	15,300	*	-	-
Datuk Haji Muhamad Shapiae bin Mat Ali	-	-	-	-

Notes:-

\* Negligible

- (a) Deemed interested by virtue of his substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of his spouse, Madam. Yong Kwee Lian and his child, Mr Ong Wei Kuan.
- (b) Deemed interested by virtue of her substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of her spouse, Mr. Ong Yoong Nyock and his child, Mr Ong Wei Kuan.
- (c) Deemed interested by virtue of the shareholdings of his spouse, Madam. Yong Wei Lian.
- (d) Deemed interested by virtue of the shareholdings of his spouse, Madam. Ng Lee Lee.

#### 7. RECOMMENDATION OF DIRECTORS

Save for Mr. Ong Yoong Nyock, Madam Yong Kwee Lian, Mr Ong Wei Kuan and Mr. Chang Chu Shien, who are interested parties in their respective Recurrent Related Party Transactions, the Board is of the opinion that the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of the revenue or trading nature are fair, reasonable and in the best interest of the Company and recommends that you vote in favour of the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions.

#### 8. AGM

The AGM will be held at Lot 30462 Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on 24 August 2019 at 9.30 a.m for the purpose of considering and, if thought fit, passing the ordinary resolutions to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions, with or without modified.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon so as to arrive at the Registered office of the Company not less than forty eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

#### 9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for further information.

Yours faithfully

for and on behalf of the Board of Directors

**TIONG NAM LOGISTICS HOLDINGS BERHAD**

**LING CHENG FAH @ LING CHENG MING**

Independent Non-Executive Director

PART C

PROPOSED NEW CONSTITUTION OF  
TIONG NAM LOGISTICS HOLDINGS BERHAD



THE COMPANIES ACT 2016  
MALAYSIA

Public Company Limited by Shares

# **CONSTITUTION**

of

**TIONG NAM LOGISTICS HOLDINGS BERHAD**

(COMPANY NO. 182485-V)

Incorporated on the 29th day of May 1989

THE COMPANIES ACT 2016  
MALAYSIA

A PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION  
OF  
**TIONG NAM LOGISTICS HOLDINGS BERHAD**

1. The name of the Company is “TIONG NAM LOGISTICS HOLDINGS BERHAD”.
2. The registered office of the Company will be situated in Malaysia.
3. The objects for which the Company is established are:
  - (1) To carry on the business of an investment holding company, and in particular to invest the moneys of the Company in or otherwise to acquire and hold shares, stocks, debentures, debenture stocks, scrips, loans, bonds, obligations, notes, securities and investments issued or guaranteed by any company, corporation, association, body or trust constituted or carrying on business in any part of the world, and in the funds or loans or other securities and investments of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad.
  - (2) To acquire any such shares, stocks, debentures, debenture stocks, scrips, loans, bonds, obligations, notes, securities and investments by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to vary and transpose from time to time as may be considered expedient any of the Company’s investments for the time being.
  - (3) To purchase or otherwise acquire for investment lands, houses, buildings, plantations and immovable property of any tenure or any interest therein, and any movable property of any description or any interest therein, and to create or sell freehold and leasehold ground rents, generally to acquire, deal in, by way of sale, lease, exchange or otherwise with property of every description, whether immovable or movable, real or personal and whether for valuable consideration or not.
  - (4) To hold shares or invest in, and to acquire, lease, promote or sell, and to manage, conduct or undertake the business of management or otherwise howsoever direct the operations of any business, company, corporation, firm of any other whatsoever enterprise, undertaking or venture, and generally to undertake any of the business of a holding, or management company.
  - (5) To transact and carry on all kinds of agency business and in particular to collect rents and debts and to negotiate loans to find investment and to issue, place shares, stocks, debenture stock and securities.
  - (6) To promote or assist in the promotion of any company for the purpose of acquiring the undertaking or all or any of the property and undertaking any of the liabilities of this Company, or of undertaking any business or operations which may seem directly or indirectly likely to assist or benefit this Company, or to enhance the value of any property or business of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or debenture stocks or securities of any such company and to subsidise or otherwise assist any such company.
  - (7) To purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm, or company carrying on or proposing to carry on any business which the Company is authorised to carry on or engage in or possessed or property suitable for the purpose of or that may be conducive to the interest of this Company and in particular so that the consideration may be wholly or partly satisfied by the allotment of shares, debentures, debenture stocks or securities of the Company.
  - (8) To amalgamate, enter into partnership or any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession, mutual assistance or otherwise with any person, firm or company, carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or be engaged in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to acquire in any manner whatsoever shares and securities of any such company.
  - (9) To sell or dispose of all or any of the undertaking and assets of the Company for such consideration as the Company may think fit, and in particular for shares, debentures, debenture stocks or securities of any company having objects altogether or in part similar to those of this Company.
  - (10) To carry on the business of dealers, stockists, importers, exporters, distributors, and suppliers of diesel, petrol, motoring oils, lubricants and petroleum products of all kinds.
  - (11) To carry on any other business whether similar to the foregoing or not which may seem to the Company capable of being conveniently carried on in connection with any of the objects of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company’s property or right.

And it is hereby declared that the word “Company” in this clause except where used in reference to this Company, shall be deemed to include any partnership or other body of person whether incorporated or unincorporated, and whether domiciled in Malaysia or elsewhere, and further that the objects specified in each paragraph of this clause shall be regarded as independent objects and accordingly shall, except where otherwise expressed in any paragraph, be in no way limited or restricted by reference to, or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and construed just as wide a sense as if the said paragraph defined the objects of a separate distinct and independent company.

4. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all functions of a body corporate and have the full capacity and to carry on or undertake any business or activity that the Board considers to be advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
5. The liability of the members is limited.
6. The Third Schedule of the Companies Act 2016 shall not apply to the Company, except so far as the same are repeated or contained in this Constitution.

7. INTERPRETATION

In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:-

“Act”	The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Authorised Nominee”	A person who is authorised to act as nominee as specified under the Rules of the Depository.
“beneficial owner”	The ultimate owner of the shares and does not include a nominee of any description.
“Board”	The board of directors for the time being of the Company.
“Books Closing Date”	The specified time and date set by the Company for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issues of securities.
“Bursa Depository”	Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) including any further change of name.
“Central Depositories Act”	Securities Industry (Central Depositories) Act 1991, and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Clause”	Clauses of this Constitution as originally framed or altered from time to time by Special Resolution.
“CMSA”	Capital Markets and Services Act 2007, and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Constitution”	This Constitution as originally framed or as altered from time to time by Special Resolution and this “Constitution” means any one of them.
“Company”	Tiong Nam Logistics Holdings Berhad (182485-V).
“Deposited Security”	A security in the Company standing to the credit of a Securities Account of a Depositor and includes securities in the Securities Account that is in suspense subject to the provisions of the Central Depositories Act and the Rules.
“Depositor”	A holder of a Securities Account as defined in Section 2 of the Central Depositories Act.
“Directors”	The directors for the time being of the Company as defined in Section 2(1) of the CMSA.
“Document”	Any document required to be sent under the Listing Requirements to securities holder.
“electronic address”	Any address or number used for the purpose of sending or receiving documents or information by electronic means.
“electronic communication”	A document or information is sent or supplied by electronic communication if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means.
“electronic form”	Document or information sent or supplied in electronic form are those sent by “electronic communication” or by any other means while in an electronic form whereby a recipient of such document or information would be able to retain a copy.
“Exchange”	Bursa Malaysia Securities Berhad (Company No. 635998-W) and / or any other Exchange on which the Company is listed.
“Exempt Authorised Nominee”	An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
“Listing Requirements”	Bursa Malaysia Securities Berhad Main Market Listing Requirements including any amendments thereto that may be made from time to time.
“Market Day”	A day on which the stock market of the Exchange is open for trading in securities.
“member” or “securities holder”	Unless otherwise expressed to the contrary, any person(s) for the time being holding one or more shares in the Company and whose name(s) appears in the Register of Members and includes a Depositor who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository in its capacity as a bare trustee member.
“Office”	The registered office for the time being of the Company.
“Record of Depositors”	A record provided by the Bursa Depository to the Company or its registrar(s) under Chapter 24.0 of the Rules.
“Register”	The register of members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors.
“Registrar”	Such person, firm or company which for the time being maintains in Malaysia, the register of securities holders.
“Rules”	The Rules of the Bursa Depository and any appendices thereto, as amended, modified and supplemented from time to time.
“Rules of the Depository”	The rules as defined in Section 2 of the Central Depositories Act.
“Seal”	The Common Seal of the Company or in appropriate case the official seal.
“Secretary”	Any person or persons appointed to perform the duties of the Secretary of the Company and shall include any person(s) who is a member of a professional body, or any other body, which has for the time being been prescribed by the Minister by notification published in the Gazette.
“securities”	As defined in Section 2(1) of the CMSA.

"Securities Account"	An account established by the Bursa Depository for a Depositor for the recording of deposit or withdrawal of Securities and for dealing in such Securities by the Depositor as permitted under the Central Depositories Act and / or the Rules.
"share"	Issued share capital of a corporation and includes stock except where a distinction between stock and shares is expressed or implied.

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

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

Words importing persons shall include corporations and companies.

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

## 8. BUSINESS

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

## 9. EFFECTS OF THE LISTING REQUIREMENTS

- (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (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.
- (7) Notwithstanding anything contained in this Constitution, nothing herein contained shall prevent the Directors from applying to the Exchange for a waiver from compliance or observance of any of the Listing Requirements. In the event the compliance or observance of such Listing Requirements are waived by the Exchange, the Company shall not be required to comply with any of the Clauses relating to those Listing Requirements in respect of which compliance or observance has been waived by the Exchange.
- (8) The provisions of this Clause 9 shall only apply so long as any of the securities of the Company are listed on the Exchange.

## SHARE CAPITAL & VARIATION OF RIGHTS

10. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividend voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution determine.
11. Subject to the provisions of this Constitution, the Act and the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-
  - (a) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
  - (b) every issue of shares or options to employees shall be approved by members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to such employees;
  - (c) except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, a Director of the Company shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares or in a share issuance scheme unless the shareholders of the Company in general meeting have approved the specific allotment to be made to the Director and the Director has abstained from voting on the relevant resolution;
  - (d) without limiting the generality of Section 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares if those shares or securities, when aggregated with any such shares or securities which the Company has issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the issued shares (excluding treasury shares, if any) of the Company, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and;
  - (e) in working out the number of shares or securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.
12. Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

13. Whenever the share capital of the Company is divided into different classes of shares the members of each class shall have an equal right to receive notices, reports and audited financial statements; to attend general meetings of the Company; to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking; or to vote at any meeting where it is proposed to submit a proposition which will directly affect their rights and privileges. In cases where one (1) class of shares carries a right to a fixed or preferential dividend and that dividend is more than six (6) months in arrears, the members of that class shall have the same voting rights as ordinary shareholders.
14. The holder of a preference share shall be entitled to a right to vote in each of the following circumstances:-
- (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (b) on a proposal to reduce the Company's share capital;
  - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (d) on a proposal that affects rights attached to the share;
  - (e) on a proposal to wind up the Company; and
  - (f) during the winding-up of the Company.

The holder of a preference share shall be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited financial statements and attending meetings.

15. Notwithstanding the provision contained in the Constitution, the repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholder's rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from not less than seventy-five per centum (75%) of the total voting rights of the preference shareholders within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.
16. Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than seventy-five per centum (75%) of the total voting rights of the shareholders of that class within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy holding at least one-third (1/3) of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll. For adjourned meeting, quorum is one person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.
17. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith. The rights attached to shares of a class other than ordinary shares shall be expressed.
18. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company PROVIDED THAT (i) the rate in percentage or the amount of the commission paid or agreed to be paid shall not exceed the rate of ten per centum (10%) of the price at which such shares are issued, or an amount equivalent to such percentage of that price, whichever is the lesser; and (ii) the requirements of Section 80 of the Act shall be observed. Subject to the provisions of Section 78 of the Act, such commission may be satisfied by the payment of cash or allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
19. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act, and may charge the same to capital as part of the cost of the construction of any works or buildings or the provision of any plant.
20. The Company shall not issue shares to transfer a controlling interest in the Company without the prior approval of the members duly signified at a general meeting called for that purpose.
21. Except as required by this Constitution or by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even with notice thereof) any equitable, contingent, future or partial interest in any share or any unit of share or any other right in respect of any shares, except an absolute right to the entirety thereof in the registered holder.

#### ISSUE OF SECURITIES

22. The Company must not cause or authorise its Registrar to cause the Securities Accounts of the allottees to be credited with the additional securities until after the Company has filed with the Exchange an application for listing of such additional securities and has been notified by the Exchange that they have been authorised for listing.
23. The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where they are specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event they shall so similarly be exempted from compliance with Listing Requirements. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Accounts of such allottees.
24. Subject to the provisions of the Act, the Listing Requirements, the Central Depositories Act, and the Rules, the Company must allot securities and despatch notices of allotment to the allottees within the stipulated time frame as prescribed under the Listing Requirements or such other period as may be prescribed by the Exchange.
25. Every certificate shall be under the Seal and shall be signed by one (1) Director and countersigned by a Director or by the Secretary or some other person nominated by the Directors for the purpose. All such signatures shall be autographic unless the Directors shall by a resolution otherwise determine.

## LIEN

26. Where a call remains unchanged, the Company shall have a first and paramount lien on every share, not fully paid, registered in the name of a member for all moneys, (whether presently payable or not) due by him or his estate, to the Company in respect of the unpaid calls and instalments, and for 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. The Directors may at any time declare any share to be wholly or in part exempt from the provision of this Constitution. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
27. The Directors may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sales shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
28. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in invalidity in the proceedings in reference to the sale.
29. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs.

## CALL ON SHARES

30. The Directors may, subject to the Act and the provisions of the Listing Requirements, from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no calls shall exceed one-fourth (1/4) of the issued 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 each member shall (subject to receiving at least fourteen (14) days' notice specifying the date, time or times and place of payment) pay to the Company at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
31. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.
32. If a sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due, shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per centum (8%) per annum or such other rate as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest, wholly or in part.
33. Any sum which by the terms of issue of a share is payable on allotment or at any fixed date, shall, for the purposes of this Constitution be deemed to have been duly called for and shall be payable on the date on which by the terms of issue such sum becomes payable, and in case of non-payment, all the relevant provisions of this Constitution in respect of payment of interest and expenses, forfeiture or otherwise, shall apply as if the sum had become payable by virtue of a call duly made and notified.
34. The Directors may, on the issue of shares, differentiate between the holders as to the amount of a call to be paid and the times of payment.
35. The Directors may, if they think fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) eight per centum (8%) per annum as may be agreed upon between the Directors and the member paying the sum in advance. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which sum would, but for such payment, become presently payable, nor confer a right to participate in profits.
36. No member shall be entitled to receive any dividend or to be present or to vote on any question, either personally or by proxy, at any general meeting, or upon a poll, or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him.
37. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the register as the holder or one (1) of the holders of the shares in respect of which such debt accrued, that the resolution making the calls is duly recorded in the minute book, and that notice of such call was duly given to the member sued in pursuance of this Constitution; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that the meeting at which any call was made was duly convened and constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

## TRANSFER OF SECURITIES

38. Subject to the Central Depositories Act and the Rules, the instrument of transfer of any securities shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the securities until the transfer is registered and the name of the transferee is entered in the Register and/or the Record of Depositors as the case may be in respect thereof.
39. Subject to this Constitution, the Rules, the Central Depositories Act, and the Listing Requirements, any member may transfer all or any of his securities by instruments in writing in the form prescribed and approved by the Exchange, the Act, and/or the Central Depositories Act on which the Company's securities are listed and quoted.
40. The transfer of any listed securities of the Company, which have been deposited with the Bursa Depository shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and affecting any transfer of such securities.

41. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding thirty (30) days in aggregate in any calendar year. Ten (10) market days' (or such other period of notice as may be prescribed under the Listing Requirements by the Bursa Malaysia Securities Berhad from time to time) notice of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and also be given to the Bursa Malaysia Securities Berhad. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Bursa Depository to prepare the appropriate Record of Depositors.
42. The Directors may decline to register the transfer of a security (not being fully paid security) on which the Company has a lien. The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
43. Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.
44. Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of securities apparently made by a member or any person entitled to the securities by reason of death, bankruptcy or insanity of a member although the same may, by reason of any fraud or other causes not known to the Company or the Directors or the Bursa Depository or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner.

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

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

45. Where by the exercise of reasonable diligence, the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register or the Record of Depositors as the address of the member stating that the Company, after expiration of thirty (30) days from the date of the advertisement, intends to transfer the shares to the Minister charged with responsibility for finance.
46. If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the member remains unknown, the Company may transfer the shares held by the member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such member, a transfer of those shares to the Minister charged with the responsibility for finance.

#### **TRANSMISSION OF SHARES**

47. In case of the death of a member, the legal representatives of the deceased, shall be the only person recognised by the Company as having any title to his interest in the securities, but nothing herein contained shall release the estate of a deceased member from any liability in respect of any security held by him.
48. Any person becoming entitled to a security in consequence of the death or bankruptcy of a member may upon such evidence being produced as may from time to time properly be required by the Bursa Depository and subject as hereinafter provided, elect either to be registered himself as the holder of the security or to have some person nominated by him registered as the transferee thereof by the Bursa Depository, shall in either case, have the same right, to decline or suspend registrations as they would have had in the case of a transfer of the security by that member before his death or bankruptcy, as the case may be. Provided always that where the security is a Deposited Security, subject to the Rules a transfer or withdrawal of the security may be carried out by the person becoming so entitled.
49. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Bursa Depository a notice in writing signed by him stating that he so elects. Provided that where the security is a Deposited Security and the person becoming entitled elects to have the security transferred to him, the aforesaid notice must be served by him on the Bursa Depository.

If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of the Bursa Depository relating to the right of transfer and the registration of transfer of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer executed by that member.

50. A person becoming entitled to a security by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the security, except that he shall not, before being registered as a member in respect of the security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the security, and if the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the security until the requirements of the notice have been complied with.
51. Where:
  - (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.

## **TRANSMISSION OF SHARES (cont'd)**

The Company shall, upon the 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 subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
- (ii) the transmission shall be executed by causing such securities to be credited directly into the Securities Accounts of such securities holder.

## **FORFEITURE OF SHARES**

52. If any member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him or on the person entitled to the share by transmission, requiring payment of so much of the call or instalment as is unpaid, together with any interest or compensation at the rate of eight per centum (8%) per annum or at such rate as the Directors shall determine and any expenses that may have accrued by reason of such non-payment.
53. The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
54. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
55. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
56. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the Company all monies which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of eight per centum (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 such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.
57. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale re-allotment or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold re-allotted or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or disposal of the share.
58. If any shares are 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.
59. When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share, or to the person entitled to the share by transmission, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

## **CONVERSION OF SHARES INTO STOCK**

60. The Company may by Ordinary Resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
61. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable.
62. The holders of stock shall, according to the amount of 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, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privileges or advantages.
63. Such Clauses of the Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

## **INCREASE IN CAPITAL**

64. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
65. Unless otherwise determined by the Company in general meeting any original shares or securities for the time being unissued and not allotted as provided in this Constitution and any new shares or securities from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares or securities held by them. Such 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 such time 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 the same in such manner as they think fit most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares or securities as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid, or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided.



## INCREASE IN CAPITAL (cont'd)

66. Notwithstanding this Constitution, the Company may apply to the Exchange for waiver of convening extraordinary general meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where the aggregate issues of which in any one (1) financial year do not exceed ten per centum (10%) of the issued capital.
67. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, and otherwise. Unless otherwise provided in accordance with this Constitution the new shares shall be Ordinary Shares.

## ALTERATION OF CAPITAL

68. The Company may from time to time by Ordinary Resolution:-
- increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe; or
  - 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 shares from which the subdivided share is derived; or
  - convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
  - subdivide its share capital or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or
  - cancel any shares which at the date of the passing of the resolution which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.
69. Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authorities in respect thereof.
70. The Company may reduce its share capital by:-
- a special resolution and confirmation by the Court in accordance with Section 116 of the Act; or
  - a special resolution supported by a solvency statement in accordance with Section 117 of the Act.

## GENERAL MEETINGS

71. A general meeting shall be held once in every year at such time and place as may be appointed by the Directors, but so that not more than fifteen (15) months shall elapse between the holding of any two (2) successive meetings.
72. The abovementioned general meetings shall be called annual general meetings. All other general meetings shall be called extraordinary general meetings.
73. Such meeting of its members may be held at more than one venue using any technology or method that allows all members of the Company to participate and to exercise the members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.
74. The Directors may, whenever they so decide by resolution, convene an extraordinary general meeting of the Company. In addition, an extraordinary general meeting shall be convened on such requisition as is referred to in Section 311 of the Act, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 312 of the Act, a meeting may be convened by the requisitionists themselves in the manner provided in Section 313 of the Act.
75. (1) Twenty-one (21) days' notice in writing at the least of every meeting convened for the purpose of passing a Special Resolution and of annual general meeting and fourteen (14) days' notice at the least of every other general meeting and twenty-eight (28) days' notice at the least of every resolution which by the Act special notice is required of a resolution proposed to be passed at a general meeting shall be given in manner hereinafter mentioned to the Auditors and to all members other than such as are not, under this Constitution, entitled to receive such notices from the Company; Provided that a general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:-
- in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
  - in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per centum (95%) in the number of the shares giving that right.
- (2) Subject to the Act, Listing Requirements, laws, rules or regulations, notice of a meeting of members shall be in writing and shall be given to the members either:-
- in hard copy;
  - in electronic form; or
  - partly in hard copy and partly in electronic form.
- (3) A notice:
- given in hard copy shall be sent to any member either personally or by post to the address supplied by the member to the Company for such purpose; or
  - given in electronic form shall be transmitted to the electronic address provided by the member to the Company for such purpose or by publishing on a website.
- (4) A notice of a meeting of members shall not be validly given by the Company by means of a website unless a notification to that effect is given in accordance with Section 320 of the Act.

- (5) The Company shall notify a member of the publication of the notice on the website and such notifications shall be in writing and shall be given in hard copy or electronic form stating:-
- (a) that it concerns a meeting of members;
  - (b) the place, date and time of the meeting; and
  - (c) whether the meeting is an annual general meeting.
- (6) The notice shall be made available on the website throughout the period beginning from the date of the notification referred to in paragraph (5) of this Clause until the conclusion of the meeting.
76. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange upon which the Company is listed.
77. (1) The Company shall request the Bursa Depository in accordance with the Rules, to prepare a Record of Depositors to whom notices of general meetings shall be given by the Company.
- (2) The Company shall request the Bursa Depository in accordance with the Rules, to prepare 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 (hereinafter referred to as the "General Meeting Record of Depositors").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provision in the Act, a Depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
78. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of the laying of the audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring and the appointment of, and the fixing of the remuneration of the Auditors.
79. In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead.
80. The accidental omission to give notice of meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive such notice shall not invalidate any resolution passed or the proceedings at any such meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

81. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided, two (2) members present in person or represented by proxy shall be a quorum. For the purposes of constituting a quorum:-
- (a) one or more representatives appointed by a corporation shall be counted as one member; or
  - (b) one or more proxies appointed by a person shall be counted as one member.
82. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday then to the next business day following that public holiday) at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within half an hour at any adjourned meeting, the meeting shall be dissolved. For the purpose of this Clause, "business day" means a day (not being a Saturday, Sunday or public holiday) on which licensed financial institutions are open for general banking business in Kuala Lumpur.
83. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one (1) of their number to be Chairman of the meeting, or if no Director be present, or if all the Directors present decline to take the chair, the members present shall choose one (1) of their number to be Chairman of the meeting. The election of the Chairman shall be by a show of hands.
84. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Any poll duly demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman of the meeting directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made. When a meeting is adjourned for fourteen (14) days or more, seven (7) clear days' notice at the least of the adjourned meeting shall be given specifying the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
85. (a) Without prejudice to any other power which the Chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman may take such action as he thinks fit to promote the orderly conduct of the business of all general meetings as specified in the notice of such meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. The Chairman may also at his discretion and in accordance with applicable laws, decide whether to admit new business at a general meeting.
- (b) The Chairman of a meeting can take any action he considers appropriate:
- (i) for proper and orderly conduct at a general meeting. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that business or that the business, question, motion or resolution be put to a vote of the members; or
  - (ii) so that the meeting reflects the wishes of the majority
86. The Board can ask members or proxies wanting to attend a general meeting to submit to searches or other security arrangements which the Board decides. The Board can, at their discretion, refuse entry to, or remove from, a general meeting, a member or proxy who does not submit to those searches or comply with those security arrangements. Security arrangements may include member or proxy not being allowed into a general meeting which recording or broadcasting devices or an article which the Chairman of the meeting considers as to be dangerous, offensive, or liable to cause disruption.

87. Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Notwithstanding the above, a poll may be demanded in writing:-
- (a) by the Chairman of the meeting;
  - (b) by at least three (3) members present in person or by proxy or by attorney or in the case of a corporation by a representative;
  - (c) by any member or members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting, excluding any voting rights attached to shares in the Company held as treasury shares; or
  - (d) by a member or members present in person or by proxy or by attorney or in the case of a corporation by a representative holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than one-tenth (1/10) of the total paid-up on all the shares conferring that right, excluding any voting rights attached to shares in the Company held as treasury shares.
88. (1) A poll shall be taken in such manner as the Chairman of the meeting directs and at least one (1) scrutineer must be appointed to validate the votes cast at the general meeting. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. The Chairman of the meeting may fix a time and place for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- The poll may be conducted manually using voting slips or electronically using various forms of electronic devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.
- (2) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourning meetings contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.
- (3) If:
- (a) any objection shall be raised as to the qualification of any voter; or
  - (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
  - (c) any votes are not counted which ought to have been counted;
- the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman of the meeting on such matters shall be final and conclusive.
89. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
90. Subject to the Listing Requirements and any special rights or restrictions as to voting for the time being attached to any shares or classes of shares in accordance with this Constitution, a holder of ordinary shares or preference shares who is present in person or by proxy or a member's representative or attorney and if a corporation is present by a duly authorised representative or by proxy or attorney entitled to vote shall on a show of hands be entitled to one vote on any question at any general meeting and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A proxy shall be entitled to vote on a show of hands or on a poll, on any question, at any general meeting. In a voting by poll, each proxy shall be entitled to such number of votes equal to the proportion of the member's shareholdings represented by such proxy. A proxy may only vote as directed in the proxy form. However, if the appointor or representative attend and vote on a resolution, the proxy or attorney must not vote.
91. Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.
92. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other persons in the nature of a committee, receiver, curator bonis or other person appointed by such Court, and such committee, receiver or curator bonis appointed by such Court may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than forty-eight (48) hours before the time for holding meeting or adjourned meeting at which the right to vote is to be exercised. If this is not done, the right to vote shall not be exercisable.
93. No person shall be entitled to be present or to vote on any resolution either as a member or otherwise as a proxy or attorney or representative for a corporation at any general meeting or demand a poll or be reckoned in the quorum in respect of any shares upon which calls are due and unpaid.
94. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
95. (1) A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Whilst a member is not precluded from attending the meeting in person after lodging the instrument of proxy, however, such attendance shall automatically revoke the authority granted to the proxy.

- (2) Where a member of the Company is an Authorised Nominee as defined under the Central Depositories Act, 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. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
  - (3) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each omnibus account the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
96. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under Seal, or under the hand of an officer or attorney duly authorised. A proxy must be of full age. A proxy may but need not be a member of the Company. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
97. Where it is desired to afford members an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or in such other form as the Directors may approve or in any particular case, may accept:

**TIONG NAM LOGISTICS HOLDINGS BERHAD**(COMPANY NO. 182485-V)  
(Incorporated in Malaysia)

No. of Shares held	CDS Account No.

\*I/We \_\_\_\_\_ \*NRIC No./Passport No./Company No. \_\_\_\_\_ of  
 \_\_\_\_\_ and telephone no./email address \_\_\_\_\_ being a \*member/members of Tiong Nam

Logistics Holdings Berhad (the "Company"), hereby appoint:

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

'and/or

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing \*him/her, THE CHAIRMAN OF THE MEETING as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the [Annual or Extraordinary, as the case may be] General Meeting of the Company, to be held at \_\_\_\_\_ place of meeting) on \_\_\_\_\_ at \_\_\_\_\_ (time of meeting), or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

Resolution	For	Against

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
 Signature of Member/Common Seal

\*Strike out whichever is not desired

[Unless otherwise instructed, the proxy may vote as he/she thinks fit.]

**Notes:**

A proxy must be of full age. A proxy may but need not be a member.

To be valid, this form, duly completed must be deposited at the Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).

A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

If the appointor is a corporation this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

98. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, at which the person named in the instrument proposes to vote, and in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. The Company may specify a fax number and may specify an electronic address in the notice of meeting, for the purpose of receipt of proxy appointments subject to the Rules, regulations and laws at that time specified therein.
99. (1) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Constitution.
- (2) For the purpose of this Clause, the Directors may require such reasonable evidence they consider necessary to determine:-
- (a) the identity of the member and the proxy; and
- (b) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.
- (3) Without prejudice to this Clause, the appointment of proxy by electronic communication must be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:-
- (a) Notice calling the meeting;
- (b) Instrument of proxy sent out by the Company in relation to the meeting; or
- (c) Website maintained by or on behalf of the Company.
- (4) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company pursuant to this Clause not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote, or, in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (2) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.
100. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
101. A corporation whether a company within the meaning of the Act or not which is a member of this Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of this Company. Such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he were an individual member, including power when personally present, to vote on a show of hands. Notice of the appointment of such representative may be given in writing or by telegram or by cable.
- If the corporation authorises more than one person as its representative, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company.
- If the corporation authorises more than one person and more than one of the representatives purport to exercise the power on the above:-
- (a) where the representatives purport to exercise the power in the same way, the power is treated as exercised in that way; or
- (b) where the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.

#### **DIRECTORS: APPOINTMENT, REMOVAL, ETC**

102. Unless otherwise determined by the Company in general meeting and subject to the Listing Requirements, the number of Directors shall not be less than two (2) nor more than fifteen (15).
103. Unless otherwise determined by the Company in general meeting, by the Rules or under law, at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall be independent Directors. If the number of Directors is not three (3) or multiple of three (3), then the number nearest one-third (1/3) shall be used for the purpose of determining the requisite number of independent Directors.
104. At the first annual general meeting of the Company, all of the Directors shall retire from the office and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.
105. The Directors to retire at the annual general meeting in every year shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement, be elected from among them by lot. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
106. 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 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 consent to the nomination and either signifying his candidature for the office, or signifying the intention of such member to propose him, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary. Notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place. The cost of serving the notice to propose the election of a Director where the nomination is made by a member or members, shall be borne by the member or members making the nomination.
107. The Company at the meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill up the vacated office by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected, unless:-

- (a) At such meeting it is expressly resolved not to fill up such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (b) Such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (c) The default is due to the moving of a resolution in contravention to the next following Clause.
108. A motion for the appointment of two (2) or more persons as Directors by a single resolution shall not be made at any general meeting unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provisions shall be void.
109. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors, and may make the appointments necessary for effecting any such increase, and may determine in what rotation such increased or reduced number shall go out of office.
110. The Company may by Ordinary Resolution of which special notice has been given to the Company in accordance with the provisions of the Act remove any Director before the expiration of his period of office and may by an Ordinary Resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
111. The Directors shall have powers at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
112. The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no such qualification shall be required.

#### REMUNERATION OF DIRECTORS

113. The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-
- (a) fee payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
  - (b) salaries and other emoluments (including bonus, benefits or any other elements) payable to Executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;
  - (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
  - (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
  - (e) the fees and / or benefits payable to Non-Executive Directors who is also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities.
114. The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general or other meetings of the Company or in connection with the business of the Company.
115. The Directors may grant special remuneration to any Member of Board who, being called upon, shall be willing to render any special or extra services to the Company, or to go or reside outside Malaysia or outside his country of origin as the case may be in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or by a percentage of profits, or by any or all of those modes but shall not include a commission on or percentage of turnover.

#### DISQUALIFICATION OF DIRECTORS

116. (1) The office of a Director shall become vacant if the Director:-
- (a) is an undischarged bankrupt;
  - (b) has been convicted of an offence relating to the promotion, formation or management of a corporation;
  - (c) has been convicted of an offence involving bribery, fraud or dishonesty;
  - (d) becomes disqualified from being a Director by reason of any order made under the Act or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Act;
  - (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
  - (f) is absent from more than fifty percent (50%) of the total Board meetings held during a financial year unless an exemption or waiver is obtained from the Exchange;
  - (g) resigns from his office by notice in writing to the Company and deposited at the Office of the Company;
  - (h) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;
  - (i) has retired in accordance with the Act or the Constitution of the Company but is not re-elected; or
  - (j) otherwise vacate his office in accordance with the Act or the Constitution of the Company.
- (2) The circumstances referred to in paragraphs (1)(a), (b) and (c) shall be applicable to circumstances in or outside Malaysia.

## POWERS AND DUTIES OF DIRECTORS

117. The business and affairs of the Company shall be managed by Directors or under the direction of the Board who may pay all expenses incurred in promoting and registering the Company. The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company and exercise all such powers of the Company as are not by this Constitution or by the Act required to be exercised by the Company in general meeting, subject nevertheless, to any of this Constitution, to the provisions of the Act, and to such regulations, not being inconsistent with this Constitution or the provisions of the Act as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
118. The Directors shall not without the prior approval of the Company in general meeting:
- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
  - (b) arrange or enter or carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or controlling interest in the Company's undertaking or property (includes the whole or substantially the whole of the rights, including developmental rights and benefits);
  - (c) subject to Sections 228(2) and 229 of the Act, enter or carry into effect any arrangement or transaction with a Director or a substantial shareholder of the Company or its holding Company, or its subsidiary or with a person connected with such a Director or substantial shareholder to acquire from or dispose to such Director or substantial shareholder or person connected with such a Director any shares or non-cash assets of the requisite value as stated in the Act; or
  - (d) issue any securities on such terms and subject to such conditions which confer a right to subscribe for new shares of the Company.
119. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company and its related companies as defined under the Act and the Listing Requirements, as they may think fit.
120. The Directors shall not borrow any money or mortgage or charge any of the Company or the subsidiaries' undertaking, property, or any uncalled capital, or issue debentures and other securities (whether outright or as security) for any debt, liability or obligation of an unrelated third party.
121. The Directors shall have power, and be deemed always to have had power, to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to or to any person in respect of any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any subsidiary company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.
122. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorneys may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
123. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
124. Unless prohibited by the rules and / or requirements of the Exchange, any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for his or his firm's professional services as if he was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company and provided further that such professional services shall be provided at normal commercial terms.

## PROCEEDINGS OF DIRECTORS

125. The Directors or any committee of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman except when only two (2) directors are present or when only two (2) Directors are competent to vote on the question at issue shall have a second or casting vote.
126. A Director may, and the Secretary on the requisition of a Director, shall at any time summon a meeting of Directors. All meetings of the Directors shall be held in Malaysia or in such other place as the Directors shall from time to time appoint.
127. Unless otherwise determined by the Directors from time to time, notice of all Directors' meetings shall be given and circulated to all Directors and their alternates by facsimile, telex, telegram or electronic mail or other communication modes / equipment. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be given in writing. The majority of the Board may waive notice of any meeting and any such waiver may be retroactive.
128. The quorum necessary for the transaction of business of the Directors shall be two (2) and a meeting of the Director for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally.
129. Notwithstanding any provisions to the contrary contained in this Constitution, any Directors may participate at a meeting of Directors by way of telephone or video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other, and such Directors shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting provided that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.
130. A meeting at which one or more of the Directors attends by electronic means is deemed to be held at such place as the Directors shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present.



131. Subject to the Act, all business transacted in the manner provided above by electronic means shall for the purpose of this Constitution be deemed to be validly and effectively transacted at a meeting of the Board PROVIDED that at least one (1) of the Directors present at the meeting was at such place as resolved or deemed (as the case may be) pursuant to this Constitution for the duration of the meeting. All information and documents must be made equally available to all participants prior to or at / during the meeting.
132. The Directors or any committee of Directors may from time to time elect a Chairman, who shall preside at their meeting, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five (5) minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting from among the Directors present.
133. The continuing Directors at any time may act, notwithstanding any vacancy, in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution of the Company, the continuing Directors may, except on an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a general meeting of the Company.
134. A Director (or alternate Director) or any firm of which he is a member, may contract or be interested in any contract or arrangement with the Company or any other company in which the Company may be interested and he may hold any office or place of profit (other than the office of Auditor of the Company or a subsidiary Company) in the Company and he or any firm of which he is a member may act in a professional capacity for the Company or any other such company, and (unless otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom.
135. A Director shall not participate in any discussion or vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted).
136. A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat any decision is taken upon any contract or proposed contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act and this Constitution.
137. A Director may vote in respect of:-
  - (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
  - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.
138. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Directors shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise directs.

#### **ALTERNATE DIRECTOR**

139. (1) A Director may from time to time nominate any person to act as his alternate Director and at his discretion remove such alternate Director, but the appointment of such alternate Director shall not take effect until approved by a majority of the other Directors PROVIDED ALWAYS that any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.
- (2) An alternate Director shall (except as regards the power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors, and shall be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such meeting at which his appointor is not present.
- (3) A Director may at any time by writing revoke the appointment of any alternate appointed by him, and appoint another person approved as aforesaid. An alternate Director shall ipso facto vacate office if the Director appointing him vacates office as director or removes the alternate Director from office. Any appointment or removal of an alternate Director may be made and communicated by his appointor to the Office by cable, telegram or radiogram, telex or in any other manner approved by the Directors. Any cable, telegram or radiogram shall be confirmed as soon as possible by letter, but may be acted upon by the Company in the meantime.
- (4) If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of the Company at which he is re-elected), the person appointed by him shall thereupon cease to have any power or authority to act as an alternate Director.
- (5) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.
- (6) No Director may act as an alternate director and a person may not act as an alternate director for more than one director.
- (7) Every person acting as an alternate Director shall be deemed to be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be an agent of or for the Director appointing him.

#### **MANAGING AND / OR EXECUTIVE DIRECTORS**

140. The Directors may from time to time appoint one (1) or more of their body to any executive office including the office of Chairman or Deputy Chairman, Chief Executive, Managing Director, Deputy Managing Director or Executive Director upon such terms as they think fit except that any appointment of Managing Director for a fixed term shall not exceed three (3) years.

The appointment may entrust to and confer upon the Directors holding such executive office, any powers exercisable by them as Directors generally as they may think fit, but such Chief Executive, Managing Director, Deputy Managing Director or Executive Director shall be subject to the control of the Board.

The Board may from time to time (subject to any provisions of any contract between him and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or appoint a substitute during his or their absence from illness or any other cause and in case of any breach of any agreement his or their remedy against the Company shall be in damages only and he or they shall have no right or claim to continue in such office contrary to the will of the Directors or of the Company in general meeting.

141. The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint or Assistant Managing Director shall be automatically determined if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
142. The Directors may entrust to and confer upon a Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and may from time to time revoke, withdraw, alter or vary all or any of such powers, provided that such executive Directors shall be subject to the control of the Board.

#### **COMMITTEE OF DIRECTORS**

143. The Directors may delegate any of their powers, other than the powers to borrow and make calls, to committees consisting of such members of their body as they think fit. Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon them by the Board.
144. Subject to any rules and regulations made pursuant to this Constitution, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the members of such committee present and in the case of any equality of votes, the Chairman shall have a second or casting vote.
145. A committee may elect a Chairman of its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members of the committee present may choose one (1) of their number to be Chairman of the meeting.
146. Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.

#### **VALIDATION OF ACTS OF DIRECTORS**

147. All acts bona fide done by any meetings of Directors, or by a committee of Directors, or by any person acting as a Director, shall notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid if every such person had been duly appointed and was qualified to be a Director.
148. The Directors shall not have power to sell or dispose of a substantial portion of the Company's main undertaking without approval by shareholders in general meeting.

#### **DIRECTORS' CIRCULAR RESOLUTION**

149. A resolution in writing signed, approved or assented by letter, electronic mail or facsimile by a majority of the Directors for the time being present in Malaysia entitled to receive notice of a meeting of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate.

Any such resolution may consist of several documents in like form (prepared and circulated by facsimile, telex, telegram or electronic mail or other communication modes / equipment), each signed by one (1) or more Director or their alternates.

An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Director and sent by him by facsimile, telex or telegram or electronic mail or other communication modes / equipment shall be deemed to be a document signed by him for the purposes of the foregoing provisions.

Any such document may be accepted as sufficiently signed by a Director or his alternate if transmitted to the Company by any technology purporting to include a signature and / or electronic or digital signature of the Director or his alternate.

#### **AUTHENTICATION OF DOCUMENTS**

150. Any Director or the Secretary shall have power to authenticate any documents affecting the Constitution of the Company and any resolution passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

Where any books, records, documents or accounts are kept elsewhere than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

151. A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified by person having powers to authenticate the documents as such in accordance with the provisions of this Constitution, shall be conclusive evidence in favour of all persons dealing with the Company on the faith that such resolution has been duly passed or that such extract is a true and accurate record of a duly constituted meeting of the Directors, as the case may be.

## MINUTES AND REGISTERS

152. The Directors shall cause minutes to be made in books provided for the purposes:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors;

and every Directors present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose (and any such minutes of such a meeting if purporting to be signed by the Chairman thereof, or by the Chairman of the next succeeding meeting of the same body, shall be sufficient evidence without any further proof of the facts therein stated).

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

## SECRETARY

154. (a) The Secretary or Secretaries and Assistant Secretary or Assistant Secretaries shall in accordance with the Act be appointed by the Directors for such term, at such remuneration, and upon such conditions as they may think fit; and any Secretary and Assistant Secretary so appointed may be removed by them.
- (b) The office of the Secretary shall become vacant,
- (i) if the Secretary is removed from office by the Directors;
  - (ii) if the Secretary resigns his office by notice in writing to the Directors; or
  - (iii) where none of the Directors can be communicated with at the last known address, on the expiry of thirty (30) days of the notification by the Secretary in accordance with Section 237(2) of the Act.

## SEAL

155. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and (subject always to the provisions of any trust deed or other instrument constituting any debentures, debenture stock or other securities of the Company) every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by a Director or by the Secretary or some other person nominated by the Directors for the purpose. All such signatures shall be autographic unless the Directors shall by resolution otherwise determine.

## ACCOUNTS

156. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of financial statements and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Board. Subject always to Section 245 of the Act, the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit.
157. At least once in every year and at intervals of not more than fifteen (15) months, the Directors shall lay before the Company in general meeting a statement of financial position made up to a date not more than six (6) months before such meeting together with a statement of profit or loss for the period since the date of the preceding financial statements and ending on the date of the statement of financial position, and such other reports or financial statements as may be required by the Act.
158. Subject to the compliance with the Listing Requirements and any other relevant laws and regulations, the Company may send any Document required under the Listing Requirements to its securities holders, in electronic form, which shall be transmitted to the electronic address provided by the securities holders to the Company for such purpose or by publishing on a website. The requisite number of copies of each such Document shall at the same time be sent to the Exchange. Provided that this Constitution shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

## AUDIT

159. Once at least in every year the accounts of the Company shall be examined, and the correctness of the statement of profit or loss and statement of financial position ascertained by one (1) or more Auditor or Auditors.
160. Auditors shall be appointed and their duties regulated in accordance with the Act.
161. A Director or officer of the Company, or a partner in any business with or an employee of a Director or officer of the Company, shall not be capable of being appointed or of acting as Auditor of the Company.

## DIVIDENDS AND RESERVES

162. (1) The Directors may from time to time declare dividend. No dividend shall be payable otherwise than out of profits available of the Company or shall bear interest against the Company. The Directors may, if they think fit, from time to time declare and pay to the members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time, if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any share are made payable on fixed dates
- (2) The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent within twelve (12) months after the distribution is made.
- (3) No higher dividend shall be paid than is authorised by the Directors, and the declarations of the Directors as to the distribution shall be conclusive.

163. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company, or be invested in such investments (other than shares of the Company), as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
164. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
165. The Directors may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
166. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
167. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
168. All dividends unclaimed for one (1) year after having been declared shall be dealt with by the Company in accordance with prevailing laws relating to the unclaimed moneys.
169. With the sanction of a general meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all members, and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Directors.
170. (1) Any dividend, interest, or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the person whose name appear in the Register or Record of Depositors or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment.
- Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.
- (2) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Constitution;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "Elected Ordinary Shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Constitution to the contrary), the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.
- (3) (a) The ordinary shares allotted pursuant to the provisions of paragraph (2) of this Clause shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (2) of this Clause, with full power to make such provisions as they think fit in the case of fractional entitlements to ordinary shares (including, notwithstanding any provision to the contrary in this Clause, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
- (4) The Directors may, on any occasion when they resolve as provided in paragraph (2) of this Clause, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register or the Record of Depositors, as the case may be, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Constitution shall be read and construed to such determination.
- (5) The Directors may, on any occasion when they resolve as provided in paragraph (2) of this Clause, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or the Record of Depositors, as the case may be, is outside Malaysia or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (6) Notwithstanding the foregoing provisions of this Constitution, if at any time after the Directors' resolution to apply the provisions of paragraph (2) of this Clause in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (2) of this Clause.

#### CAPITALISATION OF PROFITS

171. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's Reserve Funds or to the credit of the Income Statement or otherwise available for distributions, and accordingly that such sums be set free for distribution amongst the member who would have been entitled thereto if distributed by the way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such Resolution:

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Constitution only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

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

#### NOTICES

173. Any notice or other document, if served personally or sent by post, shall be deemed to have been served or delivered at the time personally or when the letter containing the same is put into the post, and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a pre-paid letter. Any notice or other document given in electronic form shall be transmitted to the electronic address provided by the member for such purpose or by publishing on the website. Every person who, by operation of law, transfer, transmission or other means whatsoever, becomes entitled to any share, shall be bound by every notice which have been duly served to the person from whom he derives the title of such shares, prior to his name and address being entered in the Register or Record of Depositors as the registered holder of such shares. The contact details (including electronic address) of the member are as set out in the Record of Depositors shall be deemed the last known address provided by the member to the Company for purposes of communication with the member.

- (1) Where a notice, or any other document or information is served, sent or supplied by electronic communication:-
- (a) to the current address of member, shall be deemed to have been duly given, sent, or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of members (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent).
- (b) by making it available on a website, it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under laws.
- (2) A notice, document or information served, sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when the material was first made available on the website and the Company notifying the member in the following manner in writing:-
- (a) the publication of the notice, document or information on the website; and
- (b) the designated website link or address where a copy of the notice, document or information may be downloaded.
- (3) A member shall be implied to have agreed to receive such notice or document or information by way of such electronic communications. However, members are given a right to request for a hard copy of such notice, document or information and the Company shall forward a hard copy of such notice or document or information to the member within the prescribed period specified under the Listing Requirements.

- (4) The Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice, document or information by way of electronic communications or as a physical copy, and such member shall be deemed to have consented to receive such notice, document or information by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have right to receive a physical copy of such notice, document or information.
174. Where a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be counted in such number of days or other period but the day for which it is given shall be excluded.
175. A notice including notice given in electronic form or any other document, may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending it through representatives of the deceased or assignee of the bankrupt or by any like description, at the address, if any, within Malaysia supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred. Every person who shall become entitled to any share by operation of law, transfer, transmission or other means whatsoever, shall be bound by every notice in respect of such share, which prior to his name and address being entered in the Register or Record of Depositors as the registered holder of such shares, shall have been duly given to the person from whom he derives the title to such share.
176. (1) Notice of every general meeting shall be given in a manner herein before specified to:-
- (a) every Director with a registered address in Malaysia or an address for service of notices in Malaysia;
  - (b) every member with a registered address in Malaysia or an address for service of notices in Malaysia;
  - (c) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
  - (d) the Auditors for the time being of the Company; and
  - (e) every Exchange on which the Company is listed and any other relevant authorities.
- (2) Except as aforesaid no other person shall be entitled to receive notices of general meetings.
- (3) Whenever any notice is required to be given under the provisions of the laws of Malaysia or of this Constitution, waiver or the shortening of the period of such notice, may be effectively given by complying with Section 316(4) of the Act.

#### LANGUAGE

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

#### DESTRUCTION OF DOCUMENTS

178. Subject as hereinbefore provided and to any law in Malaysia for the time being in force, the Company shall be entitled to destroy:-
- (a) at any time after a reasonable time from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be), all instruments of transfer of shares or other forms of security of the Company which shall have been registered and all letters of request, renounces allotment letters, share certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the register of transfer shall have been made and all records on microfilm or on any other system of data recording and storage;
  - (b) at any time after the expiration of one (1) year from the date of cancellation thereof, all registered certificates for shares or representing any other form of security of the Company (being certificates for shares or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) and mandates and other written directions as to the payment of dividends or interest (being mandates or directions which have been cancelled); and
  - (c) at any time after the expiration of one (1) year from the date of the recording thereof, all notifications of change of name or address;
- and it shall conclusively be presumed in favour of the Company that:-
- (i) every instrument of transfer so destroyed was a valid and effective instrument duly and properly executed and registered;
  - (ii) every certificate for shares or representing any other form of security so destroyed was a valid certificate duly and properly cancelled; and
  - (iii) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided that:-

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

## **RECONSTRUCTION**

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

## **WINDING-UP**

180. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members in species or kind the whole or any part of the assets of the Company (whether they shall consist of property of same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

The Liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

181. If the Company shall be wound up, the members of each class of shareholders shall be entitled to participate equally in direct proportion to the number of the shares. Provided that if the share capital of the Company is divided into different classes, the rights of each class in a liquidation shall be in accordance with the terms of the issue of the shares of the class.
182. On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been approved by members. The amount of such payment shall be notified to all members at least seven (7) days prior to the meeting at which it is to be considered.

## **SECRECY CLAUSE**

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

## **INDEMNITY**

184. Every member of the Board, whether holding an executive office pursuant to this Constitution or not, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company (including effect of insurance) in accordance with the Act.

## **ALTERATION OF CONSTITUTION**

185. Subject to the Act and to the provisions of the Listing Requirements (if any), the Company may by Special Resolution delete, alter or add to this Constitution.

## **COMPLIANCE WITH STATUTES, REGULATIONS AND RULES**

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

## APPENDIX I – GENERAL INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of TNL and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

### 2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by TNL and its subsidiaries during the two (2) years immediately preceding the date of this Circular.

### 3. MATERIAL LITIGATION

#### (i) Terminal Perintis Sdn Bhd vs Tan Ngee Hong Construction Sdn Bhd

Tiong Nam Logistics Holdings Berhad ("Company") wishes to announce that its wholly owned subsidiary Terminal Perintis Sdn Bhd ("TPSB") had, on 10 June 2016 made a filing of statement of defence and counter claim in the matter of arbitration initiated by Tan Ngee Hong Construction Sdn Bhd ("Contractor") regarding the alleged losses and damages pertaining to, inter alia the termination of Agreement and Conditions of PAM Contract 2006 ("Contract") dated 23 December 2014 ("Arbitration").

On 23 December 2014, TPSB and the Contractor (as main contractor) entered into the Contract the Proposed Mixed Commercial Strata Development of 1 block of Service Apartment, 1 block of 22 storey Hotel, 5 Storey Podium Carpark inclusive of 2 storey basement, 19 lot retail space, management office, refuse chamber, 1 unit Stesen Suis Utama (SSU) and 1 unit Guard House for the development of the Pinetree Marina Resort at Johor Bahru, Johor Darul Ta'zim ("Project").

Malayan Banking Berhad ("MBB") has agreed to guarantee the due performance of the Project by the Contractor via bank guarantee for Performance Bond No. 99080BGP6052351 dated 28 August 2014 ("BG").

On 18 August 2015, TPSB exercised its rights pursuant to clause 25.1 of the Contract to determine the Contract between TPSB and the Contractor.

Subsequently, TPSB served a letter of demand to MBB requesting the release of payment amounting to RM 15,738,100.00 pursuant to the BG.

MBB has on 25 September 2015 remitted the said amount to TPSB.

On 1 October 2015, the Contractor serves TPSB an Originating Summons No. 24NCvC-613 -09/2015 dated 1 October 2015 together with a sealed copy of the Ex Parte Order dated 27 September 2015 by the Contractor through its solicitors, Messrs. Tan Swee Im, P.Y. Hoh & Tai to order TPSB to either pay back the sum received to MBB, or place the sum received on trust and in favour of the Contractor until further notice from the Court.

On 28 January 2016, the High Court dismissed Contractor's application and set-aside the Ex Parte Order dated 27 September 2015 with costs of RM 8,000 to TPSB.

The alleged claim from the Contractor under this Arbitration amounting to RM 56,897,448.58, which among other includes request to refund RM 15,738,100 on the above mentioned BG, contained within its Point of Claim filed on 22 April 2016.

TPSB has filed in its Defence and Counterclaim amounting to RM 82,883,326.60 being costs and expenses incurred by TPSB due to the substantial delay caused by the Contractor, in accordance with the terms and conditions of the Contract ("Counter Claim").

The initial hearing dates are on 4 Jan 2017 to 6 Jan 2017, 9 Jan 2017 to 13 Jan 2017, 16 Jan 2017 and 17 Jan 2017. This hearing date has been postponed to 13 April 2017, 14 April 2017, 2 May 2017, 3 May 2017, 4 May 2017, 5 May 2017, 8 May 2017, 9 May 2017, 11 May 2017, 12 May 2017, 15-19 May 2017 and 28-30 June 2017.

The hearing date has been postponed pending the decision of an appeal case of a similar nature which is a judicial precedent to this case with the consent from the Arbitrator.

As advised by the TPSB's solicitors, the Company is of the view that the TPSB has a reasonably good chance of succeeding in defending the claim by the Contractor and a reasonable chance of succeeding in the Counter Claim. This assessment is based on the legal issues and is subject to TPSB establishing that the delay was due to the Contractor which will be assessed at a later stage. The Company does not foresee that the alleged claim from the Contractor will have any material impact on the operational position of the Company.

The total cost of investment by the Company in TPSB is RM 5,000,000.



The Claim and Counter Claim represent approximately 12% and 18% respectively of the net assets of the Tiong Nam Logistics Holdings Berhad Group as at 31 March 2015.

The Company does not foresee that the alleged claim from the Contractor and the Counter Claim will have any material impact on the operational position of the Company.

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

Copies of the following documents are available for inspection at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim, Malaysia during normal business hours between Mondays to Fridays (except for public holidays) from the date of this Circular up to and including the date of the AGM;

- (i) the Memorandum and Articles of Association of TNL;
- (ii) the audited consolidated accounts of the TNL Group for the two (2) financial years ended 31 March 2018 and 31 March 2019;
- (iii) Latest Quarterly Results for the Quarter ended 31 March 2019; and
- (iv) the material contracts and litigation referred to in Section 2 and Section 3 respectively of this appendix.

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