



CB INDUSTRIAL PRODUCT HOLDING BERHAD
Registration No.: 199701013434 (428930-H)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting ("23rd AGM") of CB INDUSTRIAL PRODUCT HOLDING BERHAD will be conducted as a **fully virtual and live-stream** from the broadcast venue at Aquamarin Room, The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 30 July 2020 at 10:00 a.m. for the following purposes:-

AGENDA

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| 1. | To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors who retire in accordance with Clause 97 of the Constitution of the Company and being eligible, offer themselves for re-election:

(a) Wong Chee Beng

(b) Mak Chee Meng | Ordinary Resolution 1

Ordinary Resolution 2 |
| 3. | To re-elect Karpanadevi A/P K R Somasundram, who retires in accordance with Clause 104 of the Constitution of the Company, and being eligible, offer herself for re-election. | Ordinary Resolution 3 |
| 4. | To approve the payment of Directors' Remuneration amounting to RM570,000 for the financial period from 1 July 2020 until 30 June 2021. | Ordinary Resolution 4 |
| 5. | To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

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| 6. | AUTHORITY TO ISSUE AND ALLOT SHARES

"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." | Ordinary Resolution 6 |
| 7. | PROPOSED AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY

"THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:- | Ordinary Resolution 7 |

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or transfer the shares under an employee share scheme or as purchase consideration.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

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

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 of Malaysia, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends or transfer the shares under an employee share scheme or as purchase consideration) in accordance with the Constitution of the Company and the requirements and/or guidelines of Main Market Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

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

Ordinary Resolution 8

"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions as specified in Section 1.3 of Part A of the Circular to Shareholders dated 30 June 2020, provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out on arm's length basis, in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders.

AND THAT the authority conferred by this resolution shall commence upon passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or

- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

9. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – TAN SRI DATUK DR. YUSOF BIN BASIRAN** **Ordinary Resolution 9**

"THAT authority be and is hereby given to Tan Sri Datuk Dr. Yusof Bin Basiran who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company."

10. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – WONG CHEE BENG** **Ordinary Resolution 10**

"THAT authority be and is hereby given to Wong Chee Beng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company."

11. To transact any other business of which due notice shall have been given.

By Order of the Board

TEO MEE HUI (MAICSA 7050642) / SSM PC No.: 202008001081
ELIZABETH ALLISON DE ZILVA (MAICSA 7030086) / SSM PC NO.: 202008002112
Company Secretaries

Selangor Darul Ehsan
30 June 2020

Notes:-

- In support of the Government of Malaysia's (the Government) ongoing efforts to contain the spread of the Coronavirus (Covid-19) and the Government's advice of social distancing and not having mass gatherings, the Company would like to leverage on technology advancement by conducting the Twenty-Third Annual General Meeting of the Company (the Meeting or AGM) on a fully virtual basis through electronic live streaming and online remote voting, pursuant to Section 327(2) of the Companies Act 2016 and Clause 59 of the Company's Constitution. The Company will be using Boardroom's LUMI AGM solution at <https://web.lumiagm.com/> or you may download the free "Lumi AGM" app from the Apple App Store or Google Play Store. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote virtually via the Boardroom's LUMI AGM solution.
- The main and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the chairman of the Meeting is physically present and **no shareholders/proxies shall be physically present at the broadcast venue**. The Meeting will be in compliance with Section 327(2) of the Companies Act 2016 which provides that the main venue of the AGM shall be in Malaysia and the chairperson must be present at the main venue of the AGM. The electronic means of conducting the AGM on a fully virtual basis will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue, which is advantageous given the current circumstances relating to Covid-19 and best health practices.
- A member entitled to virtually attend and vote at the above Meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to virtually attend, participate, speak and vote in his/her stead, in accordance with the Administrative Details.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, such member may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo

Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Online Portal at <http://www.boardroomlimited.my> (please refer to Section E of the Administrative Details for details) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

10. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

11. Shareholders/proxies/corporate representatives would need to register as a member of Boardroom Smart Investor Online Portal first before they can request for the Remote Participation User identification number and password to virtually attend, participate, speak and vote at the above Meeting via Boardroom's LUMI AGM solution, in accordance with the Administrative Details.

12. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 23 July 2020 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory notes on Ordinary and Special Business

Item 1 of the Agenda

Audited Financial Statements for the financial year ended 31 December 2019

This Agenda is meant for discussion only as the provision of Section 248 and Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.

Ordinary Resolution 4

Directors' Remuneration of the Company

Pursuant to Section 230(1) of the Companies Act 2016, the fee of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 23rd AGM on the Directors' remuneration for the financial period from 1 July 2020 until 30 June 2021.

The Directors' remuneration comprises the fee, allowances and benefit-in-kind payable to the Directors of the Company as follows:

	<u>Fee (RM)</u>	<u>*Other Emolument (RM)</u>
Executive Directors	-	90,000
Non-Executive Directors	294,000	186,000
Total	294,000	276,000

Note:

* Inclusive of meeting allowance, travelling allowance, and benefit-in-kind.

In determining the estimated total amount of the Directors' remuneration, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Directors involved in these meetings.

Payment of Directors' remuneration will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolution 4 has been passed at the 23rd AGM. The Board is of the view that it is just and equitable for the Directors to be paid such payment on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the period as stated herein.

Ordinary Resolution 6

Authority to Issue and Allot Shares

The proposed resolution is primarily to give flexibility to the Board of Directors to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of the next AGM of the Company.

This is a new mandate and the purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The previous mandate was not utilised and accordingly no proceeds were raised. The previous mandate will be lapsed on 30 June 2020.

Ordinary Resolution 7

Proposed Authority for Purchase of Own Shares by the Company

The proposed resolution, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained earning of the Company.

For further information, please refer to Share Buy-Back Statement dated 30 June 2020.

Ordinary Resolutions 8

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The proposed resolution, if passed, will allow the Group enter into the Recurrent Related Party Transactions made on arm's length basis and normal commercial term and which is not prejudice to the minority shareholders.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 30 June 2020.

Ordinary Resolutions 9 and 10

Continuing in Office as Independent Non-Executive Directors

The Board has assessed the independence of Tan Sri Datuk Dr. Yusof Bin Basiran and Wong Chee Beng, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and recommended them to continue act as an Independent Non-Executive Directors of the Company based on the following justifications:-

- they fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they would be able to bring an element of objectivity to the Board;
- they have been with the Company for more than 9 years and were familiar with the Company's business operations;
- They have vast and diverse range of experiences and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and
- they have continue to exercised their due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

The Board considered Tan Sri Datuk Dr. Yusof Bin Basiran and Wong Chee Beng to be independent based on the above justifications and recommended them to be retained as Independent Non-Executive Directors of the Company.