



**FARLIM GROUP (MALAYSIA) BHD.**

Registration No. 198201002529 (82275-A)  
(Incorporated in Malaysia)

**Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN THAT** the Forty-First Annual General Meeting of the Company will be held at Melati 1, 2 & 3, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 22 June 2023 at 10.00 a.m. for the following purposes:-

**Ordinary Business**

1. To receive the Audited Financial Statements for the year ended 31 December 2022 and the Reports of the Directors and the Auditors thereon. *Please refer to Explanatory Note A*
2. To approve the payment of Directors' Fees of RM136,800.00 and benefits totaling RM450,000.00 for the period from 1 July 2023 until the conclusion of the Forty-Second Annual General Meeting.  
*(Please refer to Explanatory Note B)* **ORDINARY RESOLUTION 1**
3. To re-elect the following Directors who retire pursuant to Clause 90 of the Company's Constitution:-
  - 3.1 Mr Yong Yew Wei **ORDINARY RESOLUTION 2**
  - 3.2 Mr Wong Hon Weng **ORDINARY RESOLUTION 3***(Please refer to Explanatory Note C)*
4. To re-elect the following Directors who retire pursuant to Clause 106 of the Company's Constitution:-
  - 4.1 Mr Koay Say Loke Andrew **ORDINARY RESOLUTION 4**
  - 4.2 Miss Adlina Hasni Binti Zainol Abidin **ORDINARY RESOLUTION 5***(Please refer to Explanatory Note C)*
5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 6**

**Special Business**

6. To consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:-

“**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, and approvals of the relevant governmental and/or regulatory authorities, approval be and is hereby given for the Directors to exercise, pursuant to Sections 75 and 76 of the Companies Act 2016, the power to allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company; **AND THAT** such approval shall continue in force until the conclusion of the next Annual General Meeting of the Company.” **ORDINARY RESOLUTION 7**

**AND FURTHER THAT** pursuant to Section 85 of the Companies Act 2016, read together with Clause 52 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016; **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”  
*(Please refer to Explanatory Note D)*
7. To consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:-

"THAT Encik Khairilnuar Bin Abdul Rahman who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years from 18 August 2011 be and is hereby retained as an Independent Non-Executive Director of the Company."  
(Please refer to Explanatory Note E)

**ORDINARY  
RESOLUTION 8**

**Other business**

8. To transact any other business of which due notice or requisition shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board

**Wong Youn Kim**  
(MAICSA 7018778)  
(SSM PC No. 201908000410)  
Company Secretary

26 April 2023

**Notes :**

A member of the Company shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at the Meeting. A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy.

A member of the Company may appoint one (1) proxy or more proxies in relation to the Meeting and where a member appoints more than one (1) proxy as aforesaid, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

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

If the member is a corporation, the proxy form must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.

The form of proxy or instrument appointing a proxy duly completed and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office situated at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the form of proxy may also be lodged electronically via <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

For the purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue pursuant to Paragraph 7.16(2) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") a Record of Depositors as at 16 June 2023 and a depositor shall not be regarded as a member entitled to attend this Meeting and to speak and vote thereat unless his/her name appears in the said Record of Depositors.

Details and instructions in addition to the above on participation at the Meeting are set out in the Administrative Guide.

**Explanatory Notes :**

- A This item of the Agenda is meant for discussion only and is not to be put as a motion for voting as the provision of Section 340(1)(a) of the Companies Act 2016 does not require approval of the shareholders for the Audited Financial Statements.

**B Ordinary Resolution 1 – Payment of Directors' Fees and Benefits**

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

The Directors' Fees of RM136,800.00 and benefits totaling RM450,000.00 to the Directors for the period from 1 July 2023 until the conclusion of the Forty-Second Annual General Meeting are arrived at basing on that approved by the shareholders at the Fortieth Annual General Meeting.

**C Ordinary Resolutions 2 to 5 – Re-election of Directors pursuant to Clauses 90 and 106 of the Company's Constitution**

Clause 90 of the Company's Constitution states that the Directors shall have the power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Company's Constitution. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. But he shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Whereas, Clause 106 of the Company's Constitution states that an election of Directors shall take place each year at the Annual General Meeting of the Company where one-third (1/3) of the Directors for the time being or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office, provided always that all Directors shall retire from office once at least in each three (3) years. Any such Directors retiring shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.

Mr Yong Yew Wei and Mr Wong Hon Weng who were appointed to the Board on 23 June 2022 and 13 March 2023 respectively are retiring in accordance with Clause 90 of the Company's Constitution together with Mr Koay Say Loke Andrew and Miss Adlina Hasni Binti Zainol Abidin who are retiring in accordance with Clause 106 of the Company's Constitution (collectively referred to as "retiring Directors"), all of whom being eligible, are standing for re-appointment and re-election at the Forty-First Annual General Meeting of the Company.

For the purpose of determining the eligibility of the retiring Directors to stand for re-appointment and re-election at the Forty-First Annual General Meeting of the Company and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021, the Nomination Committee ("NC") had reviewed and assessed each of the retiring Directors during the annual assessment and evaluated the Board, Board Committees, Independent Directors and individual Directors based on the fit and proper criteria as set out in the Fit and Proper Policy.

#### *D Ordinary Resolution 7 – Resolution pursuant to Sections 75 and 76 of the Companies Act 2016*

The Ordinary Resolution 7 proposed under item 6 of the agenda is a renewal of the general mandate given to the Directors of the Company by the shareholders at the Fortieth Annual General Meeting to allot shares. As at the date of this Notice, the previous mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom and will lapse at the conclusion of the forthcoming Forty-First Annual General Meeting.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 52 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 52 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

The said proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the best interest of the Company. This approval will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.

The general mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

#### *E Ordinary Resolution 8 – Retention of Independent Director*

Encik Khairilnuar Bin Abdul Rahman who was appointed as an Independent Non-Executive Director on 18 August 2011 has served the Company for more than nine (9) years.

The NC (save for the interested Director) had assessed the independence of Encik Khairilnuar Bin Abdul Rahman, and upon its recommendation, the Board of Directors had recommended the retention for him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:

- i. He fulfills the criteria under the definition of Independent Director as stated in the MMLR of Bursa Securities, and thus, he would be able to provide an element of objectivity, independent judgment and balance to the Board;
- ii. His vast experiences in the financial and other relevant sections enable him to provide the Board and Board Committees with pertinent expertise, skills and competence;
- iii. He has been with the Company for more than nine (9) years and therefore understand the Company's business operations which enable him to contribute actively and effectively during deliberations or discussions at Board and Board Committee meetings; and
- iv. He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

The Proposed Resolution 8, if passed, will enable Encik Khairilnuar Bin Abdul Rahman to continue in office as Independent Non-Executive Director of the Company until 17 August 2023 [the expiry of twelve (12) years] pursuant to MMLR of Bursa Securities and the Company would be seeking the shareholders' approval through a two-tier voting process, pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021. Upon the resignation/re-designation of Encik Khairilnuar Bin Abdul Rahman, the Company will source the replacement for compliance with Paragraph 15.09(1) of the MMLR of Bursa Securities within three (3) months from the date of change.