



DAIBOCHI BERHAD

Company No. 197201001354 (12994-W)
(Incorporated in Malaysia)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh (“47th”) Annual General Meeting (“AGM”) of the Company will be held at **Walinong Sari, AMES Hotel, Melaka, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka** on **Wednesday, 16 December 2020** at **11.30 a.m.** for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2020 together with the Reports of the Directors and Auditors thereon.
2. To declare a single tier final dividend of 3 sen per ordinary share in respect of the financial year ended 31 July 2020. (Resolution 1)
3. To approve the payment of Non-Executive Directors’ (“NEDs”) fees amounting to RM68,000.00 for the financial year ended 31 July 2020. (Resolution 2)
4. To approve the payment of NEDs’ benefits up to an amount of RM176,600.00 for the period commencing from 17 December 2020 until the next AGM of the Company. (Resolution 3)
5. To re-elect the following Directors who retire by rotation in accordance with Regulation 81 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Heng Fu Joe (Resolution 4)
 - (b) Mr. Low Geoff Jin Wei (Resolution 5)
6. To re-elect Mr. Chang Chee Siong, the Director, who retires in accordance with Regulation 87 of the Company’s Constitution and being eligible, has offered himself for re-election. (Resolution 6)
7. To re-appoint Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

AS SPECIAL BUSINESS

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

8. **Ordinary Resolution I** **Retention of Independent Non-Executive Director**

“THAT subject to the passing of Resolution 4, Mr. Heng Fu Joe, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained to continue to serve as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance (“MCCG”).” (Resolution 8)

9. **Ordinary Resolution II** **Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016**

“THAT subject to the Companies Act 2016 (the “Act”), the Constitution of the Company and the approvals and/or requirements of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be allotted and issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.” (Resolution 9)

**10. Ordinary Resolution III
Proposed Renewal of Share Buy-Back Authority**

“THAT subject to the rules, regulations, orders and guidelines made pursuant to the Act, provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase on the market and/or hold such number of the Company’s issued ordinary shares (“Daibochi Shares”) through Bursa Securities (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company subject to the following:-

- (a) The maximum number of Daibochi Shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (b) The maximum fund to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained earnings of the Company based on its latest audited financial statements. As at 31 July 2020, the audited retained earnings of the Company was RM92,967,000; and
- (c) The authority conferred by this resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next AGM of the Company, unless renewed or earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next AGM after the date is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.

THAT the Directors be and are hereby authorised to deal with the shares purchased by the Company pursuant to the Proposed Share Buy-Back in their absolute discretion and that the shares so purchased may be retained as treasury shares, distributed as share dividends to the shareholders, resold on the market of Bursa Securities, transferred and/or cancelled in accordance with the Act and/or be dealt with in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force, as may be selected and determined by the Directors from time to time.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and to do all such acts and things as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.” (Resolution 10)

**11. Ordinary Resolution IV
Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate for RRPT”)**

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries (the "Group") to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Statement/Circular to Shareholders dated 17 November 2020, which are necessary for the day-to-day operations and within the ordinary course of business of the Group, made on an arm’s length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT, such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such ordinary resolution for the Proposed Renewal of Shareholders' Mandate for RRPT was passed, at which time it shall lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that 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 an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND THAT, the Directors of the Company be and are hereby authorised to complete and do all such acts and things that they may consider expedient or necessary (including the amendment and/or execution of such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate for RRPT.”

(Resolution 11)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders, the proposed single tier final dividend will be paid on 15 January 2021 to shareholders whose names appear in the Record of Depositors of the Company on 31 December 2020.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the depositor's securities account before 4.30 p.m. on 31 December 2020;
- (b) Shares deposited into the depositor's securities account before 12.30 p.m. on 30 December 2020 (in respect of shares which are exempted from mandatory deposit); and
- (c) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By order of the Board

Ms. Tung Wei Yen (MAICSA 7062671) (SSM Practising Certificate No. 201908003813)

Ms. Geetharani Ranganathan (MAICSA 7070549) (SSM Practising Certificate No. 201908000614)

Company Secretaries

Shah Alam

17 November 2020

NOTES:**1. Appointment of Proxies and Entitlement of Attendance**

- (i) A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint at least one proxy to attend, participate, speak and vote in his/her stead and where a member appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy need not be a member of our Company. There is no restriction as to the qualification of the proxy.
- (ii) Every member of our Company including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who holds ordinary shares in our Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint at least one person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at our AGM, and that such proxy(ies) need not be a member(s) of our Company. The appointment of more than one proxy in respect of any particular securities account or omnibus account shall specify the proportion of the member's shareholding to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, either be executed under its common seal or under the hand of two authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- (iv) The form of proxy must be deposited at the registered office of the Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for the holding of the meeting or at any adjournment thereof.
- (v) In respect of deposited securities, only members whose names appear in our Record of Depositors as at 8 December 2020 shall be regarded as a member and entitled to attend, participate, speak and vote at the meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

2. Audited Financial Statements

Agenda 1 is for discussion at the meeting and no voting is required.

3. Directors' Fees and Benefits

The NEDs' fees were approved by the Board to be recommended to the shareholders for approval.

The NEDs' benefits comprise the meeting allowance based on the total number of scheduled Board and Board Committees' meetings, monthly allowance and yearly Audit Committee ("AC") allowance for the respective period. The particulars of the benefits are as follows:

<u>Nature of benefits</u>	<u>Chairperson</u> <u>(RM)</u>	<u>Non-Executive Director</u> <u>(RM)</u>
Meeting allowance		
– per meeting		
➤ Board	500	400
➤ Board Committees	500	400
Monthly allowance	6,500	3,000
Yearly AC allowance	5,000	3,000

4. Re-election of Directors

The Directors who are subject to re-election have been assessed by the Board through the Nomination Committee.

5. Explanatory Notes on Special Business:

(i) Retention of Independent Non-Executive Director

Resolution 8 is proposed pursuant to Practice 4.2 of the MCGG and if passed, will allow Mr. Heng Fu Joe to be retained and continue acting as an Independent Non-Executive Director of the Company. The justification and recommendation for the retention are set out in the Corporate Governance Overview Statement in the Company's Annual Report 2020.

(ii) Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016

Resolution 9, if passed, will empower the Directors to allot and issue shares up to a maximum of ten percent (10%) of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 13 December 2019 and which will lapse at the conclusion of the 47th AGM.

This renewal of general mandate, if approved, will provide flexibility to the Company to avoid any delay and cost in convening a general meeting for such issuance of shares for any possible fund raising exercise(s), including but not limited to placing of shares for the purpose of funding future expansion(s), investment project(s), working capital and/or acquisition(s) and/or for general corporate purposes and/or any strategic reasons.

(iii) Proposed Renewal of Share Buy-Back Authority

Resolution 10, if passed, will empower the Company to purchase and/or hold the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless renewed, revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part A of the Statement/Circular to Shareholders dated 17 November 2020.

(iv) Proposed Renewal of Shareholders' Mandate for RRPT

Resolution 11, if passed, will renew the shareholders' mandate obtained at the last AGM held on 13 December 2019 and allow the Group to enter into recurrent related party transactions of a revenue or trading nature as set out in Part B of the Statement/Circular to Shareholders dated 17 November 2020. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

6. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by poll.

7. COVID-19

In view of the uncertainties in the ongoing outbreak of COVID-19 in Malaysia, our Company may, at short notice, change the arrangements of our AGM including the manner to conduct our AGM. In the event of any change to the arrangements of our AGM, we will use our best endeavours to notify you accordingly, and such notification will be made available on Bursa Securities's website at <https://www.bursamalaysia.com> and the Company's website at www.daibochi.com before our AGM.