

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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**BONIA CORPORATION BERHAD**

(Company No.: 223934-T)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PART A: PROPOSED SHARE BUY-BACK BY BONIA CORPORATION BERHAD OF UP TO 10% OF ITS OWN ISSUED AND PAID-UP SHARE CAPITAL**

**PART B: PROPOSED ADOPTION OF A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY**

The resolutions in respect of the above proposals will be tabled under Special Business at the Twenty-Second Annual General Meeting (“22nd AGM”) of Bonia Corporation Berhad (“the Company”) to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, 57000 Bukit Jalil, Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 November 2013 at 11.30 a.m.

The Notice of the 22nd AGM together with the Form of Proxy are set out in the Company’s Annual Report 2013 which has been despatched together with this Circular.

A member entitled to attend and vote at the 22nd AGM is entitled to appoint a proxy or proxies to attend, vote and speak on his behalf. The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should reach the registered office of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than forty eight (48) hours before the time fixed for convening the 22nd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

The last day and time for lodging the Form of Proxy : Tuesday, 19 November 2013 at 11.30 a.m.  
Date and time of the 22nd AGM : Thursday, 21 November 2013 at 11.30 a.m.  
Venue of the 22nd AGM : Perdana Ballroom  
Bukit Jalil Golf & Country Resort  
Jalan Jalil Perkasa 3,  
57000 Bukit Jalil, Kuala Lumpur  
Wilayah Persekutuan

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## DEFINITIONS

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

“Board” or “Directors”	:	The Board of Directors of Bonia
“Bonia” or “Company”	:	Bonia Corporation Berhad (223934-T)
“Bonia Group” or “Group”	:	Bonia Corporation Berhad and its subsidiary companies
“Bonia Shares” or “Shares”	:	Ordinary Shares of RM0.50 each in Bonia
“LPD”	:	30 September 2013, being the latest practicable date prior to printing of this Circular
“Main Market Listing Requirements”	:	the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including the practice notes or circulars as may be issued thereunder from time to time
“Substantial Shareholder(s)”	:	Shall have the meaning given in Section 69D of the Companies Act, 1965:- Substantial shareholder is/are a person(s) who has/have an interest either direct or indirect in the shares of the company in more than 5% of the aggregate amount of the voting shares of the company
“Purchased Shares”	:	Shares purchased pursuant to the Proposed Share Buy-Back as defined in Part A of this Circular
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“the Code”	:	Malaysian Code on Take-Overs and Mergers 2010, including any amendment that may be made from time to time
“22nd AGM”	:	Twenty-Second Annual General Meeting of Bonia

Words denoting the singular number only shall include the plural and also vice versa and words denoting the masculine gender only shall include the feminine gender and vice versa. Reference to persons shall include corporations. 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 a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**PART A: LETTER TO SHAREHOLDERS RELATING TO PROPOSED SHARE  
BUY-BACK BY BONIA CORPORATION BERHAD OF UP TO 10% OF  
ITS OWN ISSUED AND PAID-UP SHARE CAPITAL**



## **BONIA CORPORATION BERHAD**

(Company No.: 223934-T)

(Incorporated in Malaysia under the Companies Act, 1965)

### **Registered Office**

Lot 10, The Highway Centre,  
Jalan 51/205  
46050 Petaling Jaya  
Selangor, Malaysia

29 October 2013

### **Board of Directors:-**

Chiang Sang Sem (*Group Executive Chairman cum Chief Executive Officer*)

Chiang Fong Yee (*Alternate Director to Mr Chiang Sang Sem*)

Chiang Heng Kieng (*Group Managing Director*)

Chiang Sang Bon (*Group Executive Director*)

Chong Chin Look (*Group Finance Director*)

Chiang Fong Tat (*Group Executive Director*)

Datuk Ng Peng Hong @ Ng Peng Hay (*Senior Independent Non-Executive Director*)

Dato' Shahbudin Bin Imam Mohamad (*Non-Independent Non-Executive Director*)

Lim Fong Boon (*Independent Non-Executive Director*)

Chong Sai Sin (*Independent Non-Executive Director*)

### **To: The Shareholders of Bonia Corporation Berhad**

Dear Sir/Madam,

### **PROPOSED SHARE BUY-BACK BY BONIA CORPORATION BERHAD OF UP TO 10% OF ITS OWN ISSUED AND PAID-UP SHARE CAPITAL ("Proposed Share Buy-Back")**

#### **1. INTRODUCTION**

The Company had on 28 August 2013 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that Bonia proposes to seek shareholders' approval at the 22nd AGM on the Proposed Share Buy-Back.

The purpose of Part A of this Circular is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 22nd AGM. The Notice of the 22nd AGM together with the Form of Proxy are enclosed in the Annual Report 2013 of the Company, which is being sent to you together with this Circular.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK.

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

In accordance with the provisions of Section 67A of the Companies Act, 1965 and other prevailing laws, rules, regulations, orders, guidelines and requirements governing purchase of a company's own shares, the Company proposes to seek the authority from the shareholders of Bonia to empower the Company to purchase from time to time through Bursa Securities, Bonia shares not exceeding in aggregate, 10% of the issued and paid-up share capital of the Company through its stockbroker(s) to be appointed at a later date.

The authorisation, if given, shall be effective immediately upon the passing of the ordinary resolution relating thereto at the forthcoming 22nd AGM and shall continue to be in force until:-

- i. the conclusion of the next AGM of the Company (being the Twenty-Third AGM of the Company), at which time the said authority will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed either unconditionally or subject to conditions; or
  - ii. the expiration of the period within which the Twenty-Third AGM of the Company 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.

The shareholders' approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own shares. However, it will further allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period.

### **3. QUANTUM AND FUNDING**

The issued and paid-up share capital of the Company as at LPD is RM100,785,925 comprising of 201,571,850 ordinary shares of RM0.50 each. Based on the issued and paid-up share capital, the maximum number of Bonia Shares that may be purchased by the Company pursuant to the Proposed Share Buy-Back is 20,157,185 Bonia Shares representing ten percent (10%) of the issued and paid-up share capital of the Company.

Paragraph 12.10(1) of the Main Market Listing Requirements stipulates that a listed issuer must ensure that the proposed purchase(s) of its own shares is made wholly out of retained profits and/or the share premium account of the listed corporation. Accordingly, the maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of the retained profit and/or the share premium of the Company. The audited retained profits and share premium account as per the latest audited accounts of Bonia as at 30 June 2013 were RM65,363,000 and RM476,000, respectively.

The Proposed Share Buy-Back will be financed through internally generated funds and/or external borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of purchase(s).

In the event the Company decides to utilise external borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the external borrowings and that the external borrowings will not have any material impact on the cash flow of the Company.

### **4. TREATMENT OF THE SHARES PURCHASED**

The Bonia Shares purchased by the Company will be dealt with by the Board in accordance with Section 67A of the Act, in the following manner:-

- i. to cancel the Shares so purchased;
- ii. to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or resell the Shares so purchased on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
- iii. to retain part of the Shares so purchased as treasury shares and cancel the remainder.

While the Shares so purchased are held as treasury shares, the rights attached to the Purchased Shares in relation to voting, dividends and participation in any 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 a class of shares in the Company for any purposes including, without limitation to the generality of the provisions of any law or requirements of the Articles of Association of the Company or the listing rules of a stock exchange on substantial shareholdings, take-over, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting of shareholders.

In the case of a resale of treasury shares, pursuant to Paragraph 12.18 of the Main Market Listing Requirements, the Company may only resell the treasury shares on Bursa Securities at:-

- i. a price which is not less than the weighted average market price for the shares for the five (5) market days immediately prior to the resale; or

- ii. a discounted price of not more than five percent (5%) to the weighted average market price for the shares for the five (5) market days immediately before to the resale provided that:-
  - a. the resale takes place no earlier than thirty (30) days from the date of purchase; and
  - b. the resale price is not less than the cost of purchase of the Shares being resold.

## 5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable the Company to utilise its financial resources which are not immediately required for use, to purchase its own shares. It may help to stabilise the supply and demand and price of Bonia Shares traded on Bursa Securities, thereby supporting the fundamental value of the Bonia Shares.

It is also expected to increase the earnings per share of the Company in the event the purchased Bonia Shares are cancelled, which in turn is expected to benefit the shareholders of the Company.

Bonia will have the opportunity to distribute the treasury shares as dividends, thus benefiting our shareholders. In addition, the treasury shares may also be resold on Bursa Securities at a price higher than the purchase price, thereby realising a potential gain for the Company.

## 6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will provide the Company with the opportunity to take pre-emptive measures if need be, to stabilise the supply and demand of Bonia Shares in the open market, thereby allowing the price of Bonia Shares to better reflect its fundamental value. The maintenance of the share price is important in order to maintain investors' confidence to facilitate the Company's future fund raising exercise via issues of equity shares, should there be any such exercises in future. In addition, the Proposed Share Buy-Back will also provide an opportunity for Bonia to make a gain when the Company resell the purchased Bonia Shares for cash when market conditions improve.

The Proposed Share Buy-Back, if implemented, will however, reduce the financial resources of Bonia Group and may result in the Company foregoing any investment opportunities arising in the future or any interest income that may be derived from depositing such funds with interest bearing instruments.

The Proposed Share Buy-Back will be implemented by the Board only after careful consideration of the financial resources of Bonia Group and the resultant impact on Bonia Group and the shareholders of the Company.

## 7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

### 7.1 *Issued and Paid-up Share Capital*

The Proposed Share Buy-Back will not have an immediate effect on Bonia's existing issued and paid-up share capital. The effects of the Proposed Share Buy-Back are dependent on whether the Bonia Shares purchased are cancelled or alternatively retained as treasury shares.

Assuming the Proposed Share Buy-Back is implemented in full and all the Bonia Shares so purchased are cancelled, the effect of the number of shares to be bought back as permitted under the Proposed Share Buy-Back on the Company's issued and paid-up share capital are illustrated below:-

	<u>No. of Bonia Shares</u>	<u>RM</u>
Existing issued and paid-up share capital as at LPD	201,571,850	100,785,925
Less: Maximum number of Bonia Shares that may be purchased and cancelled under the Proposed Share Buy-Back	(20,157,185)	(10,078,592)
Resulting issued and paid-up share capital	<u>181,414,665</u>	<u>90,707,333</u>

However, it will not have any effect on the issued and paid-up share capital if all the Bonia Shares so purchased are retained as treasury shares and resold and/or distributed as dividends.

## 7.2 *Net Assets ("NA")*

The effect of the Proposed Share Buy-Back on the NA per share of Bonia Group will depend on the purchase prices of the Bonia Shares, the effective funding cost to Bonia Group to finance the purchase of the Bonia Shares or any loss in interest income to the Company and whether the Bonia Shares purchased are retained as treasury shares or resold on Bursa Securities.

If the purchased Bonia Shares are retained as treasury shares, the effect of the Proposed Share Buy-Back on the NA of the Bonia Group would be as follows:

- i. The NA would decrease by the quantum of the cost of the treasury shares if the Purchased Shares are retained as treasury shares due to the requirement that the treasury shares were held at cost and be offset against equity;
- ii. the NA would increase if the Company realises a gain from the resale of the treasury shares and vice versa;
- iii. the NA would decrease by the quantum of the cost of the treasury shares if the treasury shares were distributed as share dividends; and
- iv. the NA per share would decrease if the purchase price exceeds the audited NA per share of the Bonia Group at the time of the purchase and conversely the Proposed Share Buy-Back will increase the NA per share of the Bonia Group if the purchase price is less than the audited NA per share of the Bonia Group at the time of purchase.

## 7.3 *Working Capital*

The Proposed Share Buy-Back will reduce the working capital of the Bonia Group, the quantum of which depends on the purchase prices of the Bonia Shares and the quantity of the Purchased Shares, the effective funding cost or any loss in interest income to the Company, it is not expected to have any material effect on the working capital of the Company.

For Shares so purchased which are kept as treasury shares, upon the resale, the working capital of the Company will increase. The quantum of the increase will depend on the actual selling price of the treasury shares and the quantity of the treasury shares resold.

## 7.4 *Earnings*

The effect of the Proposed Share Buy-Back on the Company's consolidated earnings per share ("EPS") will depend on the purchase prices of the Bonia Shares, the actual number of Bonia Shares purchased and the loss in interest income or the effective funding costs. The effective reduction in the total issued and paid-up share capital of the Company pursuant to the Proposed Share Buy-Back would generally, have a positive impact on the EPS of Bonia Group in the financial year in which the Bonia Shares are purchased.

## 7.5 *Dividends*

Barring any unforeseen circumstances, the Board does not expect the Proposed Share Buy-Back to materially affect any declaration or recommendation of dividends by the Company. The actual dividend rate to be declared and paid will depend on, inter alia, the actual results of Bonia Group, its cash reserves, capital commitment and future funding requirements. Nonetheless, if the Shares so purchased are retained as treasury shares, the dividend rate will also be increased with the suspension of the rights attaching to the treasury shares as to dividend entitlement. Moreover, the treasury shares so purchased may be distributed as dividends to shareholders of the Company if the Company so decides.

## 7.6 *Shareholdings of the Directors and Substantial Shareholders*

Shares bought back by Bonia under the Proposed Share Buy-Back that are retained as treasury shares will result in proportionate increase in the percentage shareholdings of the Directors and Substantial Shareholders in Bonia.



Based on the Register of Substantial Shareholders' and Directors' Shareholdings as at LPD and assuming the Proposed Share Buy-Back is implemented up to the maximum of 10% of the issued and paid-up share capital and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders in Bonia, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders in Bonia are illustrated below:-

	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Directors:</i>								
Chiang Sang Sem	2,853,600	1.42	97,853,326 <sup>(1)</sup>	48.55	2,853,600	1.57	97,853,326 <sup>(1)</sup>	53.94
Chiang Fong Yee (Alternate Director to Chiang Sang Sem)	1,172,400	0.58	33,870,300 <sup>(2)</sup>	16.80	1,172,400	0.65	33,870,300 <sup>(2)</sup>	18.67
Chiang Heng Kieng	-	-	47,000 <sup>(3)</sup>	0.02	-	-	47,000 <sup>(3)</sup>	0.03
Chiang Sang Bon	355,000	0.18	28,000 <sup>(4)</sup>	0.01	355,000	0.20	28,000 <sup>(4)</sup>	0.02
Chong Chin Look	250,000	0.12	-	-	250,000	0.14	-	-
Chiang Fong Tat	599,000	0.30	25,000	0.01	599,000	0.33	25,000	0.01
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-	-	-	-	-
Dato' Shahbudin Bin Imam Mohamad	-	-	-	-	-	-	-	-
Lim Fong Boon	-	-	-	-	-	-	-	-
Chong Sai Sin	-	-	-	-	-	-	-	-
<i>Substantial Shareholders:</i>								
Bonia Holdings Sdn Bhd	49,996,992	24.80	-	-	49,996,992	27.56	-	-
Freeway Team Sdn Bhd	33,860,300	16.80	-	-	33,860,300	18.66	-	-
Milingtonia Limited	14,814,060	7.35	-	-	14,814,060	8.17	-	-
Albizia ASEAN Opportunities Fund	11,550,000	5.73	-	-	11,550,000	6.37	-	-
Chiang Sang Sem	2,853,600	1.42	95,304,426 <sup>(5)</sup>	47.28	2,853,600	1.57	95,304,426 <sup>(5)</sup>	52.53

Notes:

- (1) Deemed interests through Freeway Team Sdn Bhd, Bonia Holdings Sdn Bhd, Kontrak Kosmomaz Sdn Bhd, SGP Investment Pte Ltd, Golden Shine Finance Limited, shares held in trust by Able Wealth Assets Ltd (The shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust, the beneficiaries of which are Chiang Sang Sem and family members), and his spouse and children
- (2) Deemed interests through Freeway Team Sdn Bhd and his spouse
- (3) Deemed interests through his spouse
- (4) Deemed interests through his spouse and child
- (5) Deemed interests through Freeway Team Sdn Bhd, Bonia Holdings Sdn Bhd, Kontrak Kosmomaz Sdn Bhd, SGP Investment Pte Ltd, Golden Shine Finance Limited, and shares held in trust by Able Wealth Assets Ltd (The shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust, the beneficiaries of which are Chiang Sang Sem and family members)

## 8. PUBLIC SHAREHOLDING SPREAD

Pursuant to Paragraph 12.14 of the Main Market Listing Requirements, Bonia can only undertake to purchase its own shares to the extent that the public shareholding spread of the Company shall not fall below 25% of the total issued and paid-up share capital of the Company at all times pursuant to the Proposed Share Buy-Back.

The public shareholding spread of the Company based on the Record of Depositors as at LPD is 41.69%. Assuming that the Proposed Share Buy-Back was carried in full, the public shareholding of the Company would be reduced to 35.21%, on the basis that all the Bonia Shares so purchased are held as treasury shares and the shares held by the Directors, substantial shareholders of the Company and persons connected with them remained unchanged.

## 9. IMPLICATIONS RELATING TO THE CODE

If the Proposed Share Buy-Back results in the equity interest of any one of the substantial shareholders and their respective persons acting in concert obtaining control in the Company, i.e. the stake in the Company is increased beyond 33%, or if his/their existing shareholding is between 33% to 50% and increases by more than 2% in any six (6) months period, the affected substantial shareholder and persons acting in concert would be obliged to undertake a mandatory offer for the remainder Bonia Shares not already owned by them pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission under the Code, subject to the affected substantial shareholder and persons acting in concert complying with certain conditions.

The Group Executive Chairman cum substantial shareholder of the Company, Chiang Sang Sem is currently controlled the Company by holding more than 50% of the voting shares of Bonia together with his persons acting in concert. Therefore, neither Chiang Sang Sem nor his persons acting in concert is required to make a mandatory take-over offer as a result of the maximum number of Bonia Shares being purchased under the Proposed Share Buy-Back.

## 10. PURCHASE, RESALE OR CANCELLATION OF TREASURY SHARES IN THE PRECEDING 12 MONTHS

The Company did not seek shareholders' approval for share buy-back in its preceding AGM. As such, the Company had not purchased, resold and /or cancelled any Bonia Shares or treasury shares in the previous 12 months preceding this Circular and the Company currently does not hold any treasury shares.

## 11. HISTORICAL PRICES OF BONIA SHARES

The monthly highest and lowest prices of Bonia Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

<u>Year</u>	<u>Month</u>	<u>Highest (RM)</u>	<u>Lowest (RM)</u>
2012	October	2.45	2.43
	November	2.40	2.38
	December	2.28	2.25
2013	January	2.21	2.12
	February	2.04	2.02
	March	1.99	1.98
	April	1.90	1.88
	May	2.25	2.15
	June	2.40	2.40
	July	2.85	2.81
	August	3.09	3.00
	September	3.00	2.98

The last transacted price of Bonia Shares on LPD was RM2.98.

*(Source: KLSE.info [www.klse.info](http://www.klse.info))*

## 12. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back, none of the Directors and to the best knowledge of the Directors, none of the major shareholders and/or persons connected with them (as defined in the Main Market Listing Requirements) has any interest, direct or indirect in the in the Proposed Share Buy-Back or resale of treasury shares.

## 13. APPROVAL REQUIRED

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of Bonia at the forthcoming 22nd AGM.

#### **14. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. As such, they recommend that you vote in favour of the resolution for the Proposed Share Buy-Back to be tabled at the forthcoming 22nd AGM.

#### **15. 22ND AGM**

The resolution pertaining to the Proposed Share Buy-Back is set out in the Notice of 22nd AGM of the Company. An extract of the said resolution is enclosed as Appendix III of this Circular.

The 22nd AGM of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, 57000 Bukit Jalil, Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 November 2013 at 11.30 a.m.

If you are unable to attend and vote in person at the forthcoming 22nd AGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy enclosed in the Company's Annual Report 2013 in accordance with the instructions contained therein and deposit the Form of Proxy at the registered office of the Company not less than forty-eight (48) hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 22nd AGM should you subsequently wish to do so.

#### **16. FURTHER INFORMATION**

Shareholders of the Company are advised to refer to the appendices for further information.

Yours truly,  
For and on behalf of the Board of  
**BONIA CORPORATION BERHAD**

**CHIANG SANG SEM**  
Group Executive Chairman

**PART B: LETTER TO SHAREHOLDERS RELATING TO PROPOSED ADOPTION  
OF A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY**



## BONIA CORPORATION BERHAD

(Company No.: 223934-T)

(Incorporated in Malaysia under the Companies Act, 1965)

### Registered Office

Lot 10, The Highway Centre,  
Jalan 51/205  
46050 Petaling Jaya  
Selangor, Malaysia

29 October 2013

### Board of Directors:-

Chiang Sang Sem (*Group Executive Chairman cum Chief Executive Officer*)

Chiang Fong Yee (*Alternate Director to Mr Chiang Sang Sem*)

Chiang Heng Kieng (*Group Managing Director*)

Chiang Sang Bon (*Group Executive Director*)

Chong Chin Look (*Group Finance Director*)

Chiang Fong Tat (*Group Executive Director*)

Datuk Ng Peng Hong @ Ng Peng Hay (*Senior Independent Non-Executive Director*)

Dato' Shahbudin Bin Imam Mohamad (*Non-Independent Non-Executive Director*)

Lim Fong Boon (*Independent Non-Executive Director*)

Chong Sai Sin (*Independent Non-Executive Director*)

### To: The Shareholders of Bonia Corporation Berhad

Dear Sir/Madam,

### **PROPOSED ADOPTION OF A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY ("Proposed Adoption of New Articles")**

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#### 1. INTRODUCTION

The Company had on 28 August 2013 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that Bonia proposes to seek shareholders' approval at the 22nd AGM on the Proposed Adoption of New Articles.

The purpose of Part B of this Circular is to provide you with details of the Proposed Adoption of New Articles and to seek your approval for the special resolution pertaining to the Proposed Adoption of New Articles to be tabled at the forthcoming 22nd AGM. The Notice of the 22nd AGM together with the Form of Proxy are enclosed in the Annual Report 2013 of the Company, which is being sent to you together with this Circular.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED ADOPTION OF NEW ARTICLES.

#### 2. RATIONALE FOR THE PROPOSED ADOPTION OF NEW ARTICLES

The Proposed Adoption of New Articles is to streamline the Company's Articles of Association to be aligned with the new and/or amended provisions of the Main Market Listing Requirements and other prevailing statutory and regulatory requirements and/or other applicable rules and guidelines which have been revised.

### **3. DETAILS OF THE PROPOSED ADOPTION OF NEW ARTICLES**

The Proposed Adoption of New Articles would be by way of deleting all the provisions of the Company's existing Articles, and adopting new Articles substitution for and to supersede the existing Articles. The full text of the New Articles is set out in Appendix I of this Circular.

### **4. EFFECTS OF THE PROPOSED ADOPTION OF NEW ARTICLES**

The Proposed Adoption of New Articles will not have any effect on the earnings, net assets, share capital and shareholding structure of the Company.

### **5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

None of the Directors and to the best knowledge of the Directors, none of the major shareholders and/or persons connected with them (as defined in the Main Market Listing Requirements) has any interest, direct or indirect in the Proposed Adoption of New Articles.

### **6. APPROVAL REQUIRED**

The Proposed Adoption of New Articles is subject to the approval of the shareholders of the Company at the forthcoming 22nd AGM.

### **7. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Adoption of New Articles, is of the opinion that the Proposed Adoption of New Articles is in the best interest of the Company. As such, they recommend that you vote in favour of the resolution for the Proposed Adoption of New Articles to be tabled at the forthcoming 22nd AGM.

### **8. 22ND AGM**

The resolution pertaining to the Proposed Adoption of New Articles is set out in the Notice of 22nd AGM of the Company. An extract of the said resolution is enclosed as Appendix III of this Circular.

The 22nd AGM of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, 57000 Bukit Jalil, Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 November 2013 at 11.30 a.m.

If you are unable to attend and vote in person at the forthcoming 22nd AGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy enclosed in the Company's Annual Report 2013 in accordance with the instructions contained therein and deposit the Form of Proxy at the registered office of the Company not less than forty-eight (48) hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 22nd AGM should you subsequently wish to do so.

### **9. FURTHER INFORMATION**

Shareholders of the Company are advised to refer to the appendices for further information.

Yours truly,  
For and on behalf of the Board of  
**BONIA CORPORATION BERHAD**

**CHIANG SANG SEM**  
Group Executive Chairman

APPENDICES I, II & III

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## APPENDIX I

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Full text of the Proposed New Articles of Association of Bonia Corporation Berhad is as stated below:

### THE COMPANIES ACT, 1965

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### PRIVATE COMPANY LIMITED BY SHARES

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### ARTICLES OF ASSOCIATION OF

### BONIA CORPORATION BERHAD (223934-T)

#### TABLE A EXCLUDED

1. The provisions of Table A in the Fourth Schedule of the Act shall not apply to the Company except insofar as the same are repeated or contained in these Articles.

#### DEFINITIONS AND INTERPRETATION

2. Definition

- (1) In these Articles, unless the subject matter or context dictates otherwise, the following words and phrases shall have the meaning assigned to them herein:

“Act”	means the Companies Act, 1965
“Articles”	means these Articles of Associations and the regulations of the Company for the time being in force
“Board” or “Board of Directors”	means the Board of Directors for the time being of the Company
“Central Depository”	means Bursa Malaysia Depository Sdn Bhd or such other depository as may be approved by the relevant authorities to be a central depository under the SICDA and includes its successors-in-title and permitted assigns
“Company”	means Bonia Corporation Berhad (Company No. 223934-T)
“Deposited Security”	shall have the meaning given in Section 2 of the SICDA
“Depositor”	means a holder of a Securities account established by the Central Depository;
“Directors”	means the Directors of the Company holding office for the time being, and, unless otherwise stated, includes their duly appointed alternates;
“Exempt Authorised Nominee”	means an authorised nominee, as defined under the SICDA, which is exempted from compliance with the provisions of Section 25A(1) of the SICDA;



“Listing Requirements”	means the Listing Requirements of the Stock Exchange, including the practice notes or circulars as may be issued thereunder from time to time
“Member” or “holder” or any like expression	means any person or persons for the time being holding shares in the Company and whose names appear in the Register, including any Depositor(s) whose name appear on the Record of Depositors but excludes the Central Depository in its capacity as a bare trustee and, subject to the provisions of the Foreign Ownership Regulations and these Articles;
“Record of Depositors”	means the record of depositors provided by the Central Depository to the Company under Chapter 24.0 of the Rules of Central Depository;
“Register of Members”	means the register of members to be kept pursuant to the Act
“Rules”	shall have the meaning given in Section 2 of the SICDA
“Seal”	means the common seal of the Company or in appropriate cases the official seal or duplicate common seal
“Secretary”	means any person or persons appointed to perform the duties of a secretary of the Company and (subject to the provisions of the Act) include an assistant or deputy secretary or joint secretary;
“Securities”	shall have the meaning assigned to it in the Capital Markets and Services Act 2007
“shares”	means shares in the Company
“SICDA”	means the Securities Industry (Central Depositories) Act, 1991
“Stock Exchange”	means Bursa Malaysia Securities Berhad and/or any other Stock Exchange on which the Company is listed

- (2) Words importing the singular number only shall include the plural number, and vice versa.
- (3) Words importing the masculine gender include the feminine and neuter gender and vice versa.
- (4) Words denoting persons shall include firms, partnership, companies and corporations.
- (5) Words or expressions contained in these Articles shall be interpreted in accordance with the provisions of the Interpretation Acts, 1948 and 1967, the Act and the Listing Requirements as in force at the date at which these regulations become binding on the Company and from time to time thereafter.
- (6) Expressions referring to “writing” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, electronic and any other mode or modes of representing or reproducing words in a visible form.
- (7) A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders or other statutory instruments made pursuant thereto.
- (8) Where a word or phrase is given a defined meaning in these Articles, any other grammatical form in respect of such word or phrase has a corresponding meaning.
- (9) The headings and sub-headings in these Articles are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

#### **3. Authorised Capital**

The authorised share capital of the Company shall be specified in the Memorandum of Association of the Company.

4. Issue of Shares

- (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, the Listing Requirements, any other statutory requirements, and to these Articles, shares in the Company may be issued by the Directors and any such shares 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 Directors, subject to any ordinary resolution of the Company, may determine.
- (2) No shares shall be issued at a discount except in compliance with the provisions of the Act.
- (3) The rights attaching to shares of a class other than ordinary shares, shall be expressed in these Articles.
- (4) No issue of shares shall be made without the prior approval of the members of the Company in general meeting.
- (5) No Director shall participate in a scheme that involves a new issuance of shares to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

5. Rights of preference shareholders

- (1) Subject to the Act, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in these Articles, 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 and the Company has the power to issue such preference capital ranking equally with, or in priority to preference shares already issued.
- (2) A holder of preference shares must have 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 the rights attached to the preference shares;
  - (e) on a proposal to wind up the Company; and
  - (f) during the winding up of the Company.
- (3) A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, and audited financial statements, and attending meetings.

6. Repayment of preference capital

The repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall 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 obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

7. Modification of class rights

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 or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall apply with such adaptations as are necessary.

8. Alteration of rights by issuance of new shares

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 to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

9. Commission on subscription of shares

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or the per centum of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. Such commission may be satisfied by the payment of cash or the allotment of fully paid up shares or partly paid up shares or by a combination of any of the aforesaid methods of payment. The Company may, on any issue of shares, also pay such brokerage as may be lawful.

10. Interest on share capital during construction of works on building

Where any shares are issued for the purpose of raising money to defray the expenses of 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 69 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

11. Trust not to be recognised

Except as required 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 recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

12. Certificate of title

The certificates of title to shares, stock, debentures, debenture stock, notes and other securities shall be issued under the Seal of the Company in such form as the Directors may from time to time prescribe provided that such certificates shall comply with all security features, size and other requirements prescribed by the Stock Exchange and all such certificates shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Director for this purpose. It shall be sufficient evidence that the Seal has been duly affixed to any such certificate and signed as aforesaid if an autographic or facsimile of the signatures of the aforesaid authorised persons appear thereon.

### CALLS ON SHARES

13. Directors may make calls

The Directors may from time to time make calls upon the Members as the Directors may think fit in respect of any amount unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment except in the case of calls payable at fixed times pursuant to the conditions of allotment) 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.

14. When call deemed made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. Any call may be made payable either in one sum or by instalments. No shareholder shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

15. Interest on unpaid calls

If a sum called in respect of a share 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 as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest in whole or in part.

16. Terms of issue may be treated as call

Any sum which by the terms of issue of a share is made payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment, all the relevant provisions of these Articles as to 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.

17. Difference in calls

The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or instalments to be paid and the times of payment of such calls.

18. Calls may be paid in advance

The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the money payable in respect of any share held by him beyond the amount of the calls actually made thereon and upon all or any part of the money so advanced, the Company 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 cent (8%) per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Such capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance has become payable be treated as paid up on the shares in respect of which they have been paid.

#### LIEN

19. Company's lien on shares and dividends

The Company shall have a first and paramount lien on every share (not being a fully paid up share), such lien to be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amount 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 Company's lien, if any, on share shall extend to all dividends payable thereon and other moneys payable thereon or in respect thereof. The Directors may at any time declare any share to be wholly or in part exempted from the provisions of this Article.

20. Lien may be enforced by sale of shares

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made until such time as a sum in respect of which the lien exists is presently payable and until there is default in payment of the same at the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as 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.

21. Directors may effect transfer

To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he 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 or invalidity in the proceedings in reference to the sale.

22. Application of proceeds of sale

The proceeds of the sale after payment of the amount of all costs of such sale and of any attempted sale shall be received by the Company and applied in 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 but existing 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.

#### INFORMATION ON SHAREHOLDING

23. Company may require any information of a Member, beneficial owner or trustee

(1) The Company may by notice in writing require any Member of the Company within such reasonable time as is specified in the notice, to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and if he holds them as trustee, to indicate so far as he can, the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.

- (2) Where the Company is informed in pursuance of a notice given to any person under subsection (1) hereof or under this subsection that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice, to inform it whether he holds that interest as beneficial owner or as trustee; and if he holds it as trustee, to indicate so far as he can, the persons for whom he holds it by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

24. Member to inform Company

The Company may by notice in writing require a Member of the Company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to it.

#### TRANSFER OF SHARES

25. Transfer of Deposited Securities

Subject to the restriction imposed by these Articles, Listing Requirements, the SICDA and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

26. Transfer of shares (non-Deposited Securities)

- (1) Subject to the provisions of the Act and these Articles, any Member may transfer all or any of his shares by way of instrument in writing in any usual or common form or in any other form which the Directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register of Members in respect thereof.
- (2) The instrument of transfer must be left for registration at the registered office of the Company together with such fee not exceeding RM1.00 as the Directors from time to time may require accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by these Articles register the transferee as a shareholder and retain the instrument of transfer.
- (3) The Directors may decline to register any transfer of shares not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien.
- (4) The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year.
- (5) Neither the Company nor its Directors nor any of its officers shall incur any liability for any transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that the Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall so far as the Company is concerned, be deemed to have transferred his whole title hereto.
- (6) No shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- (7) Subject to the provisions of these Articles, the Directors may recognise a renunciation of any shares by the allottee thereof in favour of some other persons.
- (8) If the Directors refuse to register a transfer they shall within one month after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal in accordance with the provisions of the Act.

- (9) All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline or refuse to register shall on demand be returned to the person depositing the same. All powers of attorney granted by members for purpose (interalia) of transferring shares which may be lodged produced or exhibited to the Company or any of its proper officers shall as between the Company and the grantor of such powers be taken and deemed to continue and remain in full force and effect and the same may be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the registered office of the Company.
- (10) The Company shall be entitled to charge a fee, being a sum of money to be paid in advance, as the Directors may from time to time determine and which the Company may be permitted to charge by law, for the registration of every transfer, plus the amount of the proper duty or taxes with which each certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force.

#### TRANSMISSION OF SHARES

27. Death of Member

Subject to the provisions of the Act, the SICDA and the Rules, in the case of the death of a member, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share which had been held by him.

28. Share of deceased or bankrupt Member

Any person becoming entitled to a share 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 Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have a person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.

29. Notice of election

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer 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 were a transfer signed by that Member.

30. Person entitled or may receive dividend, etc

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall upon the production of such evidence as may from time to time be properly required by the Directors on that behalf be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

31. Transmission of Securities between Registers

Where:-

- (1) the securities of the Company are listed on another stock exchange; and
- (2) the Company is exempted from compliance with Section 14 of the SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No.2) Act, 1998, as the case may be, under the Rules in respect of such Securities;

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

## FORFEITURE OF SHARES

32. Notice requiring payment

If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remain unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest at the rate which the Directors may determine from time to time from the date appointed for the payment, on the money, for the time being unpaid if the Directors think fit to enforce payment of such interest, which may have accrued.

33. Form of notice of forfeiture

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 and place appointed the shares in respect of which the call was made will be liable to be forfeited.

34. Forfeiture for non-payment

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.

35. Directors may cancel forfeiture

A share so forfeited shall become the property of the Company and may be re-allotted, 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.

36. Liability of member in respect of forfeited shares

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, 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 cent (8%) per annum or such other rate as may be determined by the Directors from the date of forfeiture on the monies 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.

37. Termination of interest

The forfeiture of a share shall at the time of forfeiture result in the termination of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights, liabilities as are by these Articles expressly saved or as are by the Act given or imposed in the case of past Members.

38. Evidence of forfeiture

A statutory declaration in writing that the declarant is a Director or the 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.

39. Procedure for sale of forfeited shares

The Company may receive the consideration, if any, given for a forfeited share on any sale, re-allotment or disposition thereof and may authorise the transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be recognised as the holder of the share and he 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 or disposal of the share. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.

40. Notice of forfeiture

Where any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy, as the case may be.

## CONVERSION OF SHARES INTO STOCK

41. Conversion to be at general meeting

The Company may by ordinary resolution passed at a general meeting convert any paid up shares into stock or re-convert any stock into paid up shares of any denomination.

42. Transfer of stock

The holders of the stock may transfer the same or any part thereof in the same manner and subject to the same in these Articles 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, but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum and the minimum shall not exceed the nominal amount of the shares from which the stock arose.

43. Participation of stockholders

The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any amount of the stock which would not, if existing in shares, have conferred that rights, privileges or advantages.

44. Definition

Such of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

## INCREASE OF CAPITAL

45. Power to increase capital

Subject to the Act, the SICDA, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in these Articles, the Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

46. Offer of new shares

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of whatever kind for the time being unissued and not allotted and any new shares or securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

47. Ranking of new shares

Except so far as otherwise provided by the conditions of issue in these Articles, any share capital raised by the creation of new shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.



## ALTERATION OF CAPITAL

### 48. Power to alter capital

The Company may by ordinary resolution and subject to the Act, the SICDA, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in these Articles:-

- (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (2) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association of the Company by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (3) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (4) convert and/or re-classify any class of shares into any other class of shares.

### 49. Power to reduce capital

The Company may by special resolution, subject to the Act, the SICDA, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in these Articles, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.

### 50. Purchase of own shares

- (1) The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with the provisions of the Act and any regulations made thereunder, the SICDA, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the provisions of the Act and any regulations made thereunder, the SICDA, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force.
- (2) The other provisions in these Articles shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers to purchase its own shares.

## GENERAL MEETINGS

### 51. General meetings

Meetings of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine.

### 52. Extraordinary General Meeting

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 referred to in Section 144 of the Act or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 144, a meeting may be convened by the requisitionists themselves in the manner provided in Section 144 of the Act. Any meeting convened by requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

### 53. Notice of meeting

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days notice or twenty-one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

54. Business at meeting

Subject always to the provisions of Section 151 of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the report of the Directors and Auditors, the election of Directors in the place of those retiring, Directors' fees and the appointment and fixing of the remuneration of the Auditors. The notice convening a meeting to consider a special or ordinary resolution shall specify the intention to propose the resolution as a special or ordinary resolution, as the case may be.

55. Requirements in notice calling meeting

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 shall be entitled to appoint proxy(ies) in accordance with these Articles, to attend and vote instead of him. There shall be no restriction as to the qualification of the proxy.

56. Omission to give notice

The accidental omission to give notice of any meeting to or the non-receipt of notice of a meeting by any person entitled to receive such notice shall not invalidate any resolutions passed or the proceedings at any such meeting.

57. Records of Depositors

- (1) the Company shall request the Central Depository in accordance with the Rules of the Central Depository, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.
- (2) the Company shall also request the Central Depository in accordance with the Rules of the Central Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 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), 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.

#### PROCEEDINGS AT GENERAL MEETING

58. Quorum

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 herein otherwise provided, two (2) Members present in person or by proxy shall be a quorum. For the purposes of these Articles "Member" includes a person attending as a proxy or representing a corporation which is a Member.

59. Adjournment

If within half (1/2) 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 at an adjourned meeting within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the Members present shall be a quorum.

60. Chairman

The Chairman (if any) of the Board of Directors or in his absence, a Deputy Chairman (if any) shall preside as Chairman at every meeting. If there is no such Chairman or Deputy Chairman or if at any meeting neither the Chairman nor a Deputy Chairman is present within fifteen (15) minutes after the time appointed for holding the meeting or if neither of them is willing to act as Chairman, the Directors present shall choose one (1) of the member of the Board of Directors to act or if one (1) Director only is present he shall preside as Chairman if he is willing to act. If no Director chosen who shall be willing to act, the Member(s) or proxy(ies) present and entitled to vote shall elect one (1) among themselves to be the Chairman of the meeting.

61. Adjournment with consent of meeting

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. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original 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.

62. Evidence of passing resolutions

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (1) by the Chairman of the meeting; or
- (2) by at least five (5) Members present in person or by proxy; or
- (3) by any Member or Members present in person or by proxy and representing not less than one tenth (1/10) of the total voting rights of all Members having the right to vote at the meeting; or
- (4) by any Member or Members 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 sum paid up on all the shares conferring that right.

Unless a poll is so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions. The demand for a poll may be withdrawn.

63. Polls

- (1) If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of Chairman or on a question of adjournment shall be taken immediately. 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 power of adjourning meetings contained in these Articles adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.
- (2) The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineers, 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.

64. Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or 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.

65. Voting rights

Subject to the applicable laws, these Articles and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided by a show of hands every Member present in person who is the holder of ordinary shares or preference shares or a proxy or attorney of such Member shall have one (1) vote and on a resolution to be decided by a poll every Member present in person or by proxy or by attorney shall have one (1) vote for each share he holds. A proxy or attorney shall be entitled to vote both on a show of hands and on a poll.

66. Shares of different monetary denominations

Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a 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.

67. Vote of member of unsound mind

A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote by proxy or attorney.

68. Member barred from voting while call unpaid

Subject to the provisions in these Articles, no Member shall be entitled to be present or to vote on any question either personally or otherwise, as a proxy or attorney at any general meeting or upon a poll or be reckoned in the quorum in respect of any shares (a) upon which calls are due and unpaid; and/or (b) where the instrument of proxy, the power of attorney or other authority, if any, naming another person or party (other than the said Member) as proxy, attorney, or person/party authorised to so act has not been deposited with the Company in accordance with these Articles.

69. Objection to qualification of voter

No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general 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.

70. Proxy

- (1) 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 seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (2) Subject to other provisions in these Articles, a Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a Member appoints more than one (1) proxy, to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholding to be represented by each proxy.
- (3) Where a Member is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. 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.
- (4) Where a Member 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. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) A proxy may, but need not, be a Member, and need also not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
- (6) 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.

71. Form of proxy

The instrument appointing a proxy shall be in the following form or such other form as the Directors may from time to time prescribe or approve subject to such variations as circumstance or as the Act or other statutes may require:-

<p>BONIA CORPORATION BERHAD (223934-T)</p> <p>I/We*, ..... of ..... being a member of the above-named Company, hereby appoint ..... of ..... or failing whom, ..... of ..... as my/our* proxy to vote for me/us and 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 the ..... day of ..... (time of meeting), and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat.</p> <p>Signed this ..... day of .....</p> <p>..... Signature(s) of Member(s)</p> <p><i>*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit.)</i></p>
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72. Instrument appointing proxy to be deposited at the registered office of the Company

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the Member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that Member, shall be deposited at the registered office of the Company or at such other place 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 at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

73. Validity of vote given under proxy

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind or transfer as aforesaid has been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the instrument is used.

74. Corporate representative

Any corporation which is a Member of the Company, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative either at a particular meeting or at all meetings of the Company or of any class of Members and a person so authorised shall in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company.

## DIRECTORS

75. First Directors

The first Directors of the Company shall be Messrs. Chiang Sang Sem and Chiang Heng Kieng.

76. Number of Directors

Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2) nor more than nine (9) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum number, the remaining Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.

77. Rotation and retirement of Directors

An election of Directors shall take place each year. At the first annual general meeting of the Company all the Directors shall retire from 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 PROVIDED ALWAYS that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

78. Selection of Directors to retire

The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

79. Notice of candidate as a Director

(1) No person, not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless a Member intending to propose him has, at least eleven (11) clear days before the meeting left at the registered office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the board 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.

- (2) The cost of serving the notice as required in this Article on the registered holders of shares where the nomination is made by a Member, shall be borne by the Member making the nomination.

80. Retiring Director deemed to be re-appointed

The Company at the meeting at which a Director so retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or that the number of Directors shall be reduced accordingly or a resolution for the re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

81. Motion for appointment of Directors

At any general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.

82. Increase or reduction of number of Directors

Subject to the Act, the Listing Requirements, any other relevant authority for the time being in force, the Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to retire from office.

83. Removal of Directors

The Company may by ordinary resolution of which special notice has been given in accordance with the provisions of the Act, remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and the Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

84. Power to add Director(s)

The Directors shall have 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 addition to the existing Directors. 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 that meeting.

85. Directors' qualification

The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed, no shareholding qualification for Directors shall be required. All the Directors shall be entitled to receive notice of and to attend all general meetings of the Company.

86. Directors' remuneration

The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that:-

- (1) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;
- (2) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;
- (3) fees payable to Directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (4) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

87. Reimbursement of expenses

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company.

- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Director's fees and such special remuneration may be by way fixed sum or otherwise as may be arranged.
88. The office of a Director shall become vacant if the Director:-
- (1) becomes bankrupt or makes any arrangement or composition with his creditors generally during his term of office;
  - (2) becomes prohibited from being a director by reason of any order made under the Act or contravenes Section 130 of the Act;
  - (3) ceases to be or is prohibited from being a director by virtue of the Act;
  - (4) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the law relating to mental disorder, during his term of office;
  - (5) resigns his office by notice in writing to the Company; or
  - (6) is removed from his office as Director by resolution of the Company in general meeting of which special notice has been given.

#### **POWERS AND DUTIES OF DIRECTORS**

89. General power of the Company vested in Directors

The business of the Company shall be managed by the Directors who may, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, not being inconsistent with these Articles or 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 that regulation had not been made or passed.

90. Directors' borrowing powers

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 and other securities whether outright or as security for any debt, liability or obligation of the Company or its subsidiaries.

91. Power to maintain funds

The Directors may establish or arrange any contributory or non-contributory pension or super-annuation scheme for the benefit of or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any subsidiary of the Company and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any subsidiary of the Company or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses of any such persons provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

92. Power to use official seal

The Directors may exercise all the powers of the Company conferred by the Act in relation to any official Seal for use outside Malaysia and in relation to branch registers.

93. Appointment of attorneys

The Directors may from time to time by power of attorney under the Seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit and any such power of attorney 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 discretion vested in him.

94. Signing of cheques etc.

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors from time to time determine by resolution.

95. Directors to act honestly and use reasonable care, skill and diligence

A Director shall at all times exercise his powers for a proper purpose, in good faith and in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

96. General duty to make disclosure

Every Director shall give notice to the Company of such events and matters relating to him as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

97. Director may hold other office

No Directors shall be disqualified by reason of his office from holding any other office or place of profit under the Company (other than the office of Auditor) or under any company in which the Company shall be a shareholder or otherwise has an interest in or from contracting with the Company or any company in which the Company is a shareholder or in which the Company otherwise has an interest either with respect to his/her tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company or any company as aforesaid in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists or in any other case at the first meeting of the Directors after the Director becomes so interested.

98. Director may become director(s) of other corporation

A Director of the Company may be or become a director or other officer of or otherwise be interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or in any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment.

## PROCEEDINGS OF DIRECTORS

99. Meeting of Directors

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors. Directors may participate in a meeting of the Directors by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.



100. Notice of Directors' meeting

Unless otherwise determined by the Directors from time to time, at least seven (7) days' notice of all Directors' meetings shall be given by hand, post or facsimile or other form of electronic communications to all Directors and their Alternate Directors who have a registered address in Malaysia, except in the case of an emergency, where reasonable notice of every Directors' meeting shall be given in writing. It shall not be necessary to give any Director or Alternate Director, who does not have an address in Malaysia, registered with the Company, notice of a meeting of the Directors by hand or by post. Any Director may waive notice of any meeting either prospectively or retrospectively. The notice of each Directors' meeting shall be deemed to be served in the case on a Director upon delivery if delivered by hand, or immediately if sent by facsimile or other form of electronic communications or if sent by post, two (2) days following that on which a properly stamped letter containing the notice is posted.

101. Quorum of meeting of Directors

The quorum necessary for the transaction of the business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two (2) Directors of the Company, and a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.

102. Chairman of Directors

The Directors may elect a Chairman and if desired, a Deputy Chairman and determine the period for which he is or they are to hold office. The Chairman or in his absence, the Deputy Chairman shall preside as chairman at all meetings of the Directors. If no such Chairman or Deputy Chairman is elected or if at any meeting the Chairman or Deputy Chairman is not present within thirty (30) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their number to be Chairman of the meeting.

103. Chairman to have a casting vote

- (1) Subject to these Articles any question arising at any meeting of Directors shall be decided by a majority of votes, each Director having one (1) vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors.
- (2) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote except where only two (2) Directors form a quorum and only such Directors are present at the meeting or where only two (2) Directors are competent to vote on the question in issue, whereupon the resolution shall be deemed not to have been passed, without affecting any other businesses at the meeting.

104. Number of Directors below minimum

The remaining Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced to below the minimum number fixed by or pursuant to these Articles as the necessary quorum of Directors, the remaining Directors or Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company, but for no other purpose.

105. Disclosure of interest and restriction on discussion and voting

Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Section 131A of the Act, a Director shall not participate in any discussion or vote in respect of 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. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

106. Power to vote

Without prejudice to the provisions of any other Articles, the Act and the Listing Requirements, a Director may vote in respect of :-

- (1) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (2) 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 security.

#### ALTERNATE DIRECTOR

107. Alternate director

- (1) A Director may appoint any person approved by a majority of his co-Directors to act as his alternate Director and at his discretion by way of a notice to the Company, remove such alternate Director from office. 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 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) Any appointment or removal of an alternate Director may be made by cable, telegram, facsimile, telex or in any other manner approved by the Directors. Any cable or telegram shall be confirmed as soon as possible by letter but may be acted upon by the Company meanwhile.
- (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 as an alternative Director shall thereupon cease to be 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.

#### MANAGING DIRECTOR

108. Managing Director

The Directors may from time to time appoint any one or more of their body to be Managing Director(s) on such terms as they think fit subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. The Directors may vest in such Managing Director(s) as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit, but subject thereto such Managing Director(s) shall be subject to the control of the Board of Directors.

109. Remuneration of Managing Director

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

110. Retirement, resignation and removal of Managing Director

A Managing Director shall be subject to retirement by rotation and shall be taken into account in determining the rotation or retirement of Directors, and he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause shall ipso facto and immediately cease to be a Managing Director.

#### COMMITTEES OF DIRECTORS

111. Power of Directors to establish committees

- (1) The Directors may delegate any of their powers to committees consisting of such members as they think fit, and may from time to time revoke such delegation or alter or vary any of such powers and discharge any such committee in whole or in part. Any committee so formed shall in the exercise of the powers so delegated, conform to any terms, conditions, restrictions and regulations that may from time to time be imposed on it by the Directors.
- (2) The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article.

## VALIDATION OF ACTS OF DIRECTORS

### 112. Directors' act to be valid

All acts done by any meeting of the Directors or a committee of Directors or by any person acting as a Director shall in relation to persons dealing in good faith with the Company, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any Director or any member of the committee or such person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or and had been entitled to vote.

## DIRECTORS' CIRCULAR RESOLUTIONS

### 113. Directors' circular resolutions

A resolution in writing, signed by a majority of the Directors shall be as valid and effectual for all purposes as a resolution passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors. A resolution herein may be signed or approved by letter, electronic mail, telegram, telex, telefax or all other electronic communication by the Directors. An Alternate Director may sign such resolution on behalf of his appointer.

## AUTHENTICATION OF DOCUMENTS

### 114. Authentication of documents

Any Director or the Secretary or any person appointed by the Directors for the purpose of this Article shall have power to authenticate any documents effecting 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 there from as true copies or extracts. Where any books, records documents or accounts are kept elsewhere other 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.

## MINUTES AND REGISTER

### 115. Minutes to be entered into minutes book

The Directors shall cause minutes to be duly entered in books provided for the purpose :-

- (1) of all appointments of officers to be engaged in the management of the Company's affairs;
- (2) of the names of all the Directors present at each meeting of the Directors and of any committees of Directors and of the Company in general meeting;
- (3) of all resolutions and proceedings of general meetings and of meetings of the Directors and committees of Directors; and
- (4) of all orders made by the Directors and any committee of Directors.

Such minutes shall be signed by the chairman of the meeting a which the proceedings were held or by the chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

### 116. Directors to comply with Act

The Company shall in accordance with the provisions of the Act keep at the registered office a register containing such particulars with respect to the Directors and managers 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 manner prescribed by the Act.

### 117. Minutes kept at registered office

The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the registered office and shall be open to the inspection of any Member without charge.

118. Registers to be kept

The Company shall also keep at the registered office, registers which shall be open to the inspection of any Member without charge and to any other person on payment for each inspection of a prescribed fee, of all such matters required to be so registered under the Act, and in particular:-

- (1) a register of substantial shareholders and of information received in pursuance of the requirements of the Act; and
- (2) a register of the particulars of each of the Directors' shareholdings and interests as required by the Act.

**SECRETARY**

119. Secretary

The Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit and any Secretary so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment. The Directors may from time to time by resolution appoint an Assistant or Deputy Secretary.

**SEAL**

120. Authority for use of Seal

The Directors shall provide for the safe custody of the Seal and share seal of the Company which shall only be used by the authority of the resolution of the Directors or of a committee of the Board authorised by the Directors in that behalf, and every instrument to which the Seal or share seal of the Company shall be affixed shall be signed by a Director and the Secretary or another Director or some other person appointed by the Directors for the purpose but so that the Directors may by resolution determine, either generally or in any particular case, that any such signature may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to a certificate or other document of title in respect of any share, stock, debenture or other marketable security created or issued by the Company to be given under the Seal or share seal of the Company.

121. Share seal

The Company may also have a share seal in accordance with the provisions of the Act.

122. Seal for use abroad

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

**ACCOUNTS**

123. Books of account open to inspection by Directors

The Directors shall cause proper books of accounting and other records which will sufficiently explain the financial position or operations of the Company including its subsidiaries, to be kept and shall distribute copies of balance sheets and other documents as required by the Act and shall from time to time determine whether or not and to what extent and at what times and place and under what conditions or regulations the books of 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 Directors or by the Company in a general meeting. Subject always to the provisions of the Act, the books of accounting and records of operations as aforesaid shall be kept at the registered office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

124. Presentation of accounts

The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are required under the Act. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months.

## AUDIT

125. Appointment and duties of auditors

Auditors shall be appointed and their duties regulated in accordance with the relevant provisions of the Act.

## DIVIDEND AND RESERVES

126. Declaration of dividends

The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.

127. Interim dividends

The Directors may if they think fit from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring any preferential rights with regard to dividend by the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

128. Dividend paid out of profits and restriction to dividend interest

No dividend shall be paid other than out of profits or shall bear interest against the Company.

129. Directors may form reserve fund and invest

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as 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 any 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 in 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.

130. Payment of dividends

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 call shall be treated for the purposes of this Article 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 that share shall rank for dividend accordingly.

131. Deduction of dividends

The Directors may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

132. Dividend due may be retained until registration

The Directors may retain the dividends payable upon shares in respect of which any person is under the provision as to the transmission of shares herein before contained entitled to become a Member or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

133. Unclaimed dividends may be invested

All dividends unclaimed for one (1) year, subject to the Unclaimed Monies Act, 1965 after having been declared may be dealt with in accordance with the provision of the Unclaimed Monies Act, 1965.

134. Distribution of specific assets

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient 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 parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

135. Payment by cheque or telegraphic transfer or electronic transfer

Any dividend, interest or other money 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 holder who is named on the Register of Members 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.

#### CAPITALISATION OF PROFITS

136. Bonus issue

The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by 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 up 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. A share premium account and a capital redemption reserve may, for the purposes of these Articles, be applied only in the paying up of unissued shares to be issued for members of the Company as fully paid bonus shares.

137. Power of applications of undivided profits

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 capitalized thereby and all allotments and issues of fully paid up 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 provision by the issue of fractional certificates or by payment in cash in discharging debentures of the Company or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person to enter on behalf of all the 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 capitalization or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

#### NOTICES

138. Service of notices

A notice may be given by the Company to any Member either personally or by sending it by post to him in a prepaid letter addressed to him at his registered address as appearing in the Register of Members or Record of Depositors.

139. When service effected

Any notice or other document if served by post shall be deemed to be served when a properly stamped letter containing the same is posted. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a post office letterbox or by a letter from the Secretary certifying that the notice or document has been posted.

140. Notice in case of death or bankruptcy

A notice may be given by the Company to the persons 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 persons 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 served if the death or bankruptcy has not occurred. Every person who by operation of law, transfer, transmission or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and/or address being entered in the Register of Members as the registered holder of such share shall have been duly given to the person from whom he derives the title to such share.

141. Who may receive notice

- (1) Notice of every general meeting shall be given in any manner hereinbefore mentioned to: (i) every Member at his registered address as appearing in the Register of Members in Malaysia or Record of Depositors; (ii) 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; (iii) the Auditors for the time being of the Company.
- (2) Except as aforesaid no other person shall be entitled to receive notices of general meeting save that if the meeting be called for the alteration of the Company's objects, the provisions of the Act regarding notices to debenture holders (if any) shall be complied with.
- (3) Notwithstanding the provisions of these Articles and the Listing Requirements, to the extent permitted by law, the Company may serve notice on a Member by way of electronic communication or by means of publication of the notice or other document at the Company's website.
- (4) Any notice required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by these Articles or which cannot for any reason be served in the manner referred to in these Articles shall be sufficiently given if given by advertisement, and any notice required to be or which may be given by advertisement, shall be deemed to be duly advertised once in a daily newspaper circulating in Malaysia.

## WINDING UP

142. Distribution of assets in specie

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the court), the liquidator may, with the sanction of a Special Resolution of the Company divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the 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 any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

143. Distribution of assets

Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:-

- (1) If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively; and
- (2) If in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up, at the commencement of the winding up, on the shares held by them respectively.

144. Voluntary liquidation

On the voluntary liquidation of the Company, no commission or fee shall be paid to the 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.

## **SECURITY CLAUSE**

145. Information inexpedient to communicate to public

Save as may be provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information respecting 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 of the Company if communicated to the public.

## **INDEMNITY**

146. Indemnity for Company's officer

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director (including alternate Director), Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company from all and against any liability incurred or sustained by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any findings or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by Court, in respect of any alleged negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

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

147. Compliance with statutes, regulations and rules

The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time or any other directives or requirements imposed by the Commission and other appropriate authorities to the extent required by law, notwithstanding any provisions on these Articles to the contrary.

## **EFFECT OF EXCHANGE CONTROL LEGISLATION**

148. Permission by Controller of Foreign Exchange of Malaysia

Whether under these Articles a Member is given the right to purchase or subscribe for any shares in the Company, the said provisions shall apply if and to the extent any necessary consent or permission by the Controller of Foreign Exchange of Malaysia is granted, and unless such consent or permission is granted the relevant Articles shall be read and construed as if all reference to the Member concerned had been omitted therefrom.

## **EFFECT OF THE LISTING REQUIREMENTS**

149. Effects of Listing Requirements

- (1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles 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 these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this Article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of the Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.



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## APPENDIX II

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### FURTHER INFORMATION

#### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

#### 2. MATERIAL CONTRACTS

As at the LPD, save as below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or its subsidiary companies within 2 years preceding the date of this Circular:-

- (1) Sale and Purchase Agreements dated 19 October 2011 entered into between Luxury Parade Sdn Bhd and Platinum Starhill Sdn Bhd to purchase the following freehold properties under the project known as "Platinum Starhill Business Centre" located in Daerah Ulu Langat, State of Selangor Darul Ehsan for a total consideration of RM44,286,749.00 from Platinum Starhill Sdn Bhd:-
  - (i) Block A comprises of 8 parcels under unit No. LG2, LG1, Level 1, Level 2, Level 3, Level 4, Level 5 and Level 6 with a total lettable area of approximately 65,574 square feet for a total consideration of RM29,509,610.00
  - (ii) Block B comprises of 7 parcels under unit No. LG1, Level 1, Level 2, Level 3, Level 4, Level 5 and Level 6 with a total lettable area of approximately 32,838 square feet for a total consideration of RM14,777,139.00
- (2) Sale and Purchase Agreements dated 13 June 2012 entered into between Luxury Parade Sdn Bhd and Pasti Anggun Sdn Bhd to purchase 8 units of office/office suite known as L8-01, L8-02, L8-03, L8-03A, L8-05, L8-06, L8-07 and L8-08, Ikon Connaught with approximately build-up area of 15,347 square feet from Pasti Anggun Sdn Bhd for a total cash consideration of RM8,589,420.00.
- (3) Sale and Purchase Agreements dated 14 May 2013 entered into between CRG Incorporated Sdn Bhd and Platinum Starhill Sdn Bhd to purchase an office block (known as Block C) comprises of 7 parcels under unit No. LG1, Level 1, Level 2, Level 3, Level 4, Level 5 and Level 6 with a total lettable area of approximately 41,873 square feet under the project known as "Platinum Starhill Business Centre" located in Daerah Ulu Langat, State of Selangor Darul Ehsan for a total consideration of RM20,936,500.00.

### 3. MATERIAL LITIGATION

As at the LPD, save as disclosed below, the Company and/or its subsidiary companies are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Company and/or its subsidiary companies or any facts likely to give rise to any proceeding which may materially and adversely affect the position or business of the Company and/or its subsidiary companies:-

In the Kuala Lumpur High Court Suit No. 22NVC-586-05/2012, the subsidiaries of the Company, namely Apex Marble Sdn Bhd (“Apex”) and Mcore Sdn Bhd (“Mcore”), had filed a suit against Leong Tat Yan (“Defendant”) for (i) the sum of RM946,496.37 being the proceeds of sale from the JV business owned by the Defendant to the Apex; (ii) the sum of RM2,249,751.08 being the proceeds of sale from the JV business owned by the Defendant to the Mcore for breach of contract, tort and fiduciary duties.

On 3<sup>rd</sup> September 2012, the Defendant filed a Notice of Application in the High Court (Enclosure 13). In essence, Enclosure 13 was the Defendant’s application for the following relief:

- (i) To set aside service of the Writ and Statement of Claim on the Defendant, which was effected by way of substituted service pursuant to the Order of the High Court dated 24<sup>th</sup> July 2012 (“Service prayers”).
- (ii) A Declaration that the High Court has no jurisdiction to hear the dispute (“Jurisdiction prayers”).
- (iii) A Declaration that the High Court is not the appropriate forum to hear the dispute (“Forum prayers”).

On 27<sup>th</sup> March 2013, the High Court allowed the Service prayers, and dismissed the Jurisdiction prayers and the Forum prayers.

Apex and Mcore (collectively “the Plaintiffs”) had filed a notice of appeal on 9 April 2013 against part of the decision of the High Court dated 27 March 2013 in connection with the service of cause papers on the Defendant. The Defendant also filed a notice of appeal against part of the decision of the High Court dated 27 March 2013 in connection with the jurisdiction and forum.

On the hearing date of 8 July 2013, the Court of Appeal allowed the Defendant’s appeal with costs of RM10,000 and the Plaintiffs’ appeal was accordingly be struck out with no order as to costs.

After discussing with their legal advisers, the Plaintiffs (also referred to as “Applicants”) had on 7 August 2013, filed a Notice of Motion in the Federal Court for the following orders:-

- (i) the Applicants be granted leave to appeal to the Federal Court against the whole of the decision of the Court of Appeal given on the 8 July 2013 in Civil Appeal No. W-02(IM)(NCVC)-797-04/2013 pursuant to Sections 96 and 97 of the Courts of Judicature Act, 1964 read with Rules 55, 107 and/or 108 of the Federal Court Rules, 1995 and/or the inherent jurisdiction of the Federal Court.
- (ii) in the event that leave to appeal is granted by the Federal Court, the Applicants be granted leave to file and serve a Notice of Appeal to the Federal Court within 7 days from the date of the order pursuant to Rule 108 of the Federal Court Rules, 1995.
- (iii) the costs of the application filed by the Applicants be costs in the cause.
- (iv) such further or other relief of the Federal Court may deem fit.

The Applicants’ application for leave to appeal to the Federal Court is fixed for hearing on 13 November 2013.

#### 4. DOCUMENTS FOR INSPECTION

The following documents (or copies thereof) are available for inspection at the registered office of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except for public holidays) from the date of this Circular up to and including the date of the 22nd AGM:-

- (1) Existing Memorandum and Articles of Association;
- (2) Proposed new set of Articles of Association;
- (3) Audited Financial Statements of the Company for the past two (2) financial years ended 30 June 2012 and 30 June 2013; and
- (4) The material contract(s) mentioned in the Section 2 above.
- (5) The relevant cause papers in respect of material litigation mentioned in the Section 3 above.

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## APPENDIX III

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Extract of resolutions to be tabled at the forthcoming 22nd AGM of the Company:-

### ORDINARY RESOLUTION 10

#### **PROPOSED SHARE BUY-BACK BY BONIA CORPORATION BERHAD OF UP TO 10% OF ITS OWN ISSUED AND PAID-UP SHARE CAPITAL**

“THAT subject to the Companies Act, 1965 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be and are hereby unconditionally and generally authorised, to the extent permitted by law, to purchase such number of ordinary shares of RM0.50 each in the Company as may be determined by the Directors from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that the maximum aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of its issued and paid-up share capital; and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the retained profits and/or share premium account of the Company for the time being.

THAT upon completion of the purchase(s) by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all the shares so purchased and/or to retain the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Malaysia Securities Berhad and/or to retain part thereof as treasury shares and cancel the remainder.

THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary [including opening and maintaining of a central depositories account under the Securities Industry (Central Depository) Act, 1991]; and to enter into and execute all relevant documents with any party or parties to implement, finalise and give full effect to the aforesaid purchase(s) with full powers to assent to any conditions, modifications, variations and/or amendments, as may be required or imposed by any relevant authority or authorities.

AND THAT the authority conferred by this resolution shall continue to be in force until the conclusion of the next annual general meeting of the Company, following the general meeting at which this 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 the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date.”

### SPECIAL RESOLUTION

#### **PROPOSED ADOPTION OF A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY**

“THAT the entire set of Articles of Association as set out in the Appendix I of the Circular to Shareholders of the Company dated 29 October 2013 be adopted in substitution for and to the exclusion of the Articles of Association of the Company now subsisting AND THAT the Directors be and are hereby authorised to do all acts and things and take all steps as may be necessary to give effect to this resolution.”