

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of Favelle Favco Berhad will be held at Kayangan 5, Quality Hotel Shah Alam, Ground Floor, Plaza Peransang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan on Tuesday, 28 June 2011 at 2.00 p.m. for the following purposes:-

Agenda

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2010 and the Reports of the Directors and Auditors thereon.
- To approve a First and Final Tax-Exempt Dividend of 5.00 sen per ordinary share in respect of the financial year ended 31 December 2010.
- To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:-
 - Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor
 - Mazlan bin Abdul Hamid
- To consider and, if thought fit, to pass the following resolution:-
"THAT Tuan Haji Mohamed Taib bin Ibrahim, a Director who retires pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting."
- To re-appoint Messrs. Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

As Special Business

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

6. ORDINARY RESOLUTION

Proposed Renewal of Share Buy-Back Authority

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities ("the Proposed Share Buy-Back") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 28 June 2010, the Company shall be entitled to further purchase and/or hold such additional number of shares and shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Earnings and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back (as at 31 December 2010, the audited Retained Earnings and Share Premium Account of the Company were RM11,695,000.00 and RM2,625,000.00 respectively); and
- The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - the shares so purchased may be cancelled; and/or
 - the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by all relevant regulatory authorities from time to time and with full powers to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and all other relevant regulatory authorities."

7. ORDINARY RESOLUTION

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or a major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 6 June 2011 subject to the following:-

- the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the Proposed Shareholders' Mandate."

8. SPECIAL RESOLUTION

Proposed Amendments to the Articles of Association of the Company

"Article 74 - Right to appoint proxy and right to vote

THAT the existing Article 74(a) of the Articles of Association of the Company be deleted in its entirety and replaced with the new Article 74(a), which shall read as follows:-

74. (a) A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any General Meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies, such appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares.

THAT the existing Article 74 of the Articles of Association of the Company be amended by inserting the following new Article numbered as Article 74(d) immediately after Article 74(c):-

74. (d) If a Member having appointed a proxy/proxies to attend a general meeting attends such meeting in person, the appointment of such proxy/proxies shall be null and void in respect of such meeting and his proxy/proxies shall not be entitled to attend such meeting.

Article 76 - Instrument to be left at the Company's office

THAT the existing Article 76 of the Articles of Association of the Company be deleted in its entirety and replaced with the new Article 76, which shall read as follows:-

The instrument appointing a proxy shall be left at the Office or such other place in Malaysia as is specified for that purpose in the notice convening the meeting, at least forty-eight (48) hours before the time set for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the instrument shall be deemed to be invalid and the person so named shall not be entitled to vote in respect thereof.

Article 77 - Form of proxy

THAT the footnote to the Form of Proxy of the existing Article 77 be amended and shall read as follows:-

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies, such appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares. The duly completed Form of Proxy must be deposited at the registered office of the Company or such other place in Malaysia as is specified for that purpose in the notice convening the meeting, at least 48 hours before the time set for holding the meeting or adjourned meeting. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised."

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

Resolution 7

Resolution 8

Resolution 9

Notes:-

- A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or more than one proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The instrument appointing a proxy shall be in writing under the hands of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or its duly authorised attorney.
- When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Company's registered office at Lot 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia at least forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof.

Explanatory notes on Special Business

5. Resolution 7 on Proposed Renewal of Share Buy-Back Authority

For the detailed information on the Proposed Share Buy-Back, shareholders are advised to refer to the Statement to Shareholders dated 6 June 2011 which is circulated together with the Company's Annual Report 2010.

6. Resolution 8 on Proposed Renewal of Shareholders' Mandate

For further information on the Proposed Renewal of Shareholders' Mandate, shareholders are advised to refer to the Circular to Shareholders dated 6 June 2011 which is circulated together with the Company's Annual Report 2010.

7. Resolution 9 on Proposed Amendments to the Articles of Association

The proposed amendments to the Articles of Association of the Company are to further enhance the administration of the Company.

Notice of Dividend Entitlement and Payment Date

NOTICE IS HEREBY GIVEN THAT a First and Final Tax-Exempt Dividend of 5.00 sen per share in respect of the financial year ended 31 December 2010, if approved by the shareholders at the forthcoming Nineteenth Annual General Meeting, will be paid on 3 August 2011 to Depositors whose names appear in the Record of Depositors at the close of business on 15 July 2011.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the Depositor's securities account before 4.00 p.m. on 15 July 2011 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CATHERINE MAH SUK CHING (LS 01302)

TEW SIEW CHONG (MIA 20729)

LIM SUAK GUAK (MIA 19689)

Company Secretaries

Selangor Darul Ehsan

6 June 2011