

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of Favelle Favco Berhad will be held at Rebana 3, Level 1, Convention Centre, Grand BlueWave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Monday, 22 June 2009 at 10.00 a.m. for the following purposes:

**Agenda****As Ordinary Business**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve a First and Final Tax-Exempt Dividend of 5% in respect of the financial year ended 31 December 2008. **Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:  
a) Mr. Mac Ngan Boon @ Mac Yin Boon **Resolution 3**  
b) Ms. Lee Poh Kwee **Resolution 4**
4. To re-elect Mr. Lim Teik Hin, a Director who retires pursuant to Article 86 of the Company's Articles of Association. **Resolution 5**
5. 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." **Resolution 6**
6. To re-appoint Messrs. KPMG as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 7**

**As Special Business**

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

**7. ORDINARY RESOLUTION 1****Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 8**

**8. ORDINARY RESOLUTION 2****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 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 upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:

- i. 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 19 June 2008, the Company shall be entitled to further purchase and/or hold such additional number of shares as 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;
- ii. 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 2008, the audited Retained Earnings and Share Premium Account of the Company were RM10,384,000 and RM1,142,000 respectively; and
- iii. 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:
  - a. the shares so purchased may be cancelled; and/or
  - b. 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
  - c. part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

**AND 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 Listing Requirements of Bursa Securities and all other relevant regulatory authorities."

**9. ORDINARY RESOLUTION 3****Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed 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 29 May 2009 subject to the following: **Resolution 10**

- i. 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
- ii. 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 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."

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

By Order of the Board

**CHIN NGEOK MUI (MAICSA 7003178)**

**SEE SIEW CHENG (MAICSA 7011225)**

**TEW SIEW CHONG (MIA 20729)**

**CHAN WAI FUN (MIA 23537)**

Company Secretaries

Selangor Darul Ehsan

29 May 2009

**Notes:**

1. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or more than 1 proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. 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.
3. 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.
4. 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 8 on Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Resolution 8, if passed, will authorise the Directors to allot and issue up to 10% of the paid-up capital of the Company. This is to avoid any delay and cost involved in calling a general meeting to approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

**6. Resolution 9 on Proposed Renewal of Share Buy-Back Authority**

For Resolution 9, further information on the Share Buy-Back, shareholders are advised to refer to the Statement to Shareholders dated 29 May 2009 which is circulated together with the Company's Annual Report 2008.

**7. Resolution 10 on Proposed Shareholders' Mandate**

For further information on the Proposed Shareholders' Mandate, shareholders are advised to refer to the Circular to Shareholders dated 29 May 2009 which is circulated with the Company's Annual Report 2008.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE**

**NOTICE IS HEREBY GIVEN THAT** a First and Final Tax-Exempt Dividend of 5% in respect of the financial year ended 31 December 2008, if approved by the shareholders at the forthcoming Seventeenth Annual General Meeting, will be paid on 17 September 2009 to Depositors whose names appear in the Record of Depositors at the close of business on 4 September 2009.

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

- a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 4 September 2009 in respect of ordinary transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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