

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting (“**AGM**”) of Favelle Favco Berhad (“**FFB**” or the “**Company**”) will be held as a fully virtual meeting entirely through live streaming from the online meeting platform on **Monday, 26 June 2023 at 11.00 a.m.** using the Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd via the TIIH Online website at <https://tiih.online>, for the purpose of considering and if thought fit, passing the following resolutions:

Agenda

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon. Please refer to Explanatory Note 1
2. To approve the declaration of a final tax exempt dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022. **Ordinary Resolution 1**
3. To re-elect the following Directors who retire by rotation pursuant to Article 85 of the Constitution of the Company:-
 - (i) Dato' Sri Khazali Bin Haji Ahmad; and
 - (ii) Mr Mac Chung Hui.**Ordinary Resolution 2**
Ordinary Resolution 3
(Explanatory Note 2)
4. To re-elect Encik Anuar Bin Abd Rahman who retires pursuant to Article 91 of the Constitution of the Company. **Ordinary Resolution 4**
(Explanatory Note 2)
5. To approve the payment of Directors' fees and benefits payable up to an amount of RM1,000,000.00, from 27 June 2023 until the next AGM of the Company. **Ordinary Resolution 5**
(Explanatory Note 3)
6. To re-appoint Messrs Crowe Malaysia PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business

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

7. **Authority for Encik Sobri Bin Abu to continue in office as an Independent Director of the Company** **Ordinary Resolution 7**
(Explanatory Note 4)

“**THAT** authority be and is hereby given for Encik Sobri Bin Abu, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company until the conclusion of the next AGM, in accordance with the Malaysian Code on Corporate Governance (“**MCCG**”).

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8. Proposed Renewal of Authority for Share Buy-Back

Ordinary Resolution 8
(Explanatory Note 5)

“THAT subject to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**), Companies Act 2016 (**“the Act”**), and the Constitution of the Company, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company through Bursa Securities (**“Proposed Share Buy-Back”**), as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued share capital of the Company at any point in time; and
- (ii) the funds allocated by the Company for the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company; and
- (iii) the authority conferred by this resolution shall continue to be in force until:-
 - (a) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, whether unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first.

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased in the following manner:-

- (a) cancel all the shares so purchased; and/or
- (b) retain the shares so purchased as treasury shares, for distribution as share dividends to the shareholders and/or resell on the market of Bursa Securities; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Buy-Back with full power to assent to any modifications and/or amendments as may be required by the relevant authorities.”

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9. **Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 9
(Explanatory Note 6)

“THAT subject to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the Renewal of the Existing Shareholders' Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.1.2 of the Statement/Circular to Shareholders (“Circular”) dated 27 April 2023 provided that such transactions are undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company; and

THAT a New Shareholders' Mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in Section 2.1.2 of the Circular dated 27 April 2023; (collectively known as the “Proposed Shareholders' Mandate”)

THAT the Proposed Shareholders' Mandate conferred by this resolution shall continue to be in force until:-

- a) the conclusion of the next AGM of the Company at which time it will lapse, unless by ordinary resolution passed at the next AGM, the Proposed Shareholders' Mandate is renewed; or
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by an ordinary resolution passed by the Company's shareholders in a general meeting,

whichever is the earliest.

AND THAT the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give 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

TEW SIEW CHONG (SSM PC No. 202008003861) (MIA 20729)

IRENE CHOE MEE KAM @ IRENE CHOW MEE KAM (SSM PC No. 202008003930) (MIA16775)

TIA HWEI PING (SSM PC No. 202008001687) (MAICSA 7057636)

Company Secretaries

Selangor Darul Ehsan
27 April 2023

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FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60(d) or (e) of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 16 June 2023 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

Notes:

1. *The Thirty-First AGM shall be conducted fully virtual and the broadcast venue is strictly for the purpose of compliance with Section 327(2) of the Act which requires the Chairman to be present at the meeting venue. Members who wish to attend the Thirty-First AGM will have to register online and attend remotely. Please follow the procedures provided in the Administrative Notes for the Thirty-First AGM on the registration and voting process for the meeting.*
2. *A member entitled to attend, participate, speak and vote remotely at this meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote remotely in his/her stead. Each proxy appointed, shall represent a minimum of one hundred (100) shares. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.*
3. *Where a Member of the Company 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.*
4. *Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must reach the Company's Share Registrar at least forty-eight (48) hours before the time appointed for holding the AGM:*
 - i. *In hardcopy form*
The Proxy Form may be deposited at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01 Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - ii. *By electronic means*
The Proxy Form can be electronically lodged with the Company's Share Registrar via the TIH Online website at <https://tiah.online>. Please refer to the Administrative Notes for the AGM on the appointment and registration of proxy for the AGM.
6. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

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7. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom one shall be a director; or, (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes to the Agenda

1. **Agenda Item 1 - Audited Financial Statements for the Financial Year Ended 31 December 2022**
The Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of the Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. **Ordinary Resolutions 2, 3 and 4: Re-election of Directors**
The profiles of the Directors who are standing for re-election under items 3 and 4 of this Agenda are set out in the Board of Directors' Profiles of the Annual Report 2022.

Based on the recommendation of the Nominating Committee, the Board of Directors ("the Board") is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:

(a) Re-election of Dato' Sri Khazali Bin Haji Ahmad as Director

In accordance with Article 85 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Dato' Sri Khazali Bin Haji Ahmad, who was appointed as a Director of the Company on 16 April 2018, retires by rotation pursuant to Article 85 of the Company's Constitution and being eligible, has offered himself for re-election at the Thirty-First AGM.

Shareholders' approval is sought for the re-election of Dato' Sri Khazali Bin Haji Ahmad, Ordinary Resolution 2. The profile of Dato' Sri Khazali Bin Haji Ahmad is listed in the Profile of Directors section.

(b) Re-election of Mr Mac Chung Hui as Director

In accordance with Article 85 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Mr Mac Chung Hui, who was appointed as a Director of the Company on 5 May 2004, retires by rotation pursuant to Article 85 of the Company's Constitution and being eligible, has offered himself for re-election at the Thirty-First AGM.

Shareholders' approval is sought for the re-election of Mr Mac Chung Hui, Ordinary Resolution 3. The profile of Mr Mac Chung Hui is listed in the Profile of Directors section.

(c) Re-election of Encik Anuar Bin Abd Rahman as Director

In accordance with Article 91 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Encik Anuar Bin Abd Rahman, who was appointed as a Director of the Company on 21 September 2022, retires pursuant to Article 91 of the Company's Constitution and being eligible, has offered himself for re-election at the Thirty-First AGM.

Shareholders' approval is sought for the re-election of Encik Anuar Bin Abd Rahman, Ordinary Resolution 4. The profile of Encik Anuar Bin Abd Rahman is listed in the Profile of Directors section.

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3. **Ordinary Resolution 5: Approval for payment of Directors' fees and benefits**

Section 230(1) of the Act provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the forthcoming Thirty-First AGM on the Directors' fees and benefits under Ordinary Resolution 5. The Director' benefits comprise meeting allowances, travelling allowances and other benefits such as directors' and officers' liability insurance.

4. **Ordinary Resolution 7: Authority for Encik Sobri Bin Abu to continue in office as Independent Director of the Company**

Encik Sobri Bin Abu ("Encik Sobri") was appointed as an Independent Non-Executive Director of the Company on 15 May 2014 and has served for a cumulative term of more than nine (9) years. In accordance with the MCGG, the Nominating Committee and the Board, after having assessed the independence of Encik Sobri, consider him to be independent based on amongst others, the following justifications and recommend that Encik Sobri be retained as an Independent Director of the Company:-

- (a) He has met the independence criteria set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and therefore, he would be able to give independent opinion to the Board;
- (b) Being director for more than nine (9) years has enabled him to contribute positively during deliberations/discussions at meetings as he is familiar with the operations of the Company and possess tremendous insight and knowledge of the Company's operations;
- (c) He has contributed sufficient time and exercised due care during his tenure as Independent Director;
- (d) He has discharged his professional duty in good faith and also in the best interest of the Company and shareholders;
- (e) He has vigilantly safeguarded the interests of the minority shareholders of the Company;
- (f) He has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
- (g) He has never compromised on his independent judgement;
- (h) He has provided objective views on the performance of the Executive Directors and Management in meeting the agreed goals and objectives; and
- (i) He has ensured that there were effective checks and balances in Board proceedings.

Encik Sobri has abstained from deliberating on any decision on his own retention as Independent Director at the relevant Nominating Committee and Board meetings.

Pursuant to the MCGG, the Company would adopt a two-tier voting process in seeking the annual shareholders' approval to retain an Independent Director beyond nine (9) years for best practice of corporate governance.

5. **Ordinary Resolution 8: Proposed Renewal of Authority for Share Buy-Back**

For Ordinary Resolution 8, the detailed information on the Proposed Renewal of Authority for Share Buy-Back Authority is set out in the Circular to Shareholders dated 27 April 2023.

6. **Ordinary Resolution 9: Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

For Ordinary Resolution 9, the detailed information on the Proposed Shareholders' Mandate is set out in Circular to Shareholders dated 27 April 2023.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.