



ZECON BERHAD

Registration No. 198501002015(134463-X)
(Incorporated in Malaysia)

NOTICE OF THE THIRTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth (36th) Annual General Meeting (“AGM”) of Zecon Berhad (“Zecon” or “the Company”) will be held at Ground Floor, Menara Zecon, No. 92, Lot 393, Section 5 KTL D, Jalan Satok, 93400 Kuching, Sarawak on Thursday, 26 May 2022 at 11.00 a.m. for the following purposes:

AGENDA

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| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon. | (See Note 1) |
| 2. | To approve the payment of Directors’ fees of RM217,800-00 for the financial year ended 31 December 2021. | Resolution 1 |
| 3. | To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Chairman and Non-Executive Directors of the Company up to an amount of RM600,000-00 for the period from 27 May 2022 until the next AGM of the Company. | Resolution 2 |
| 4. | To re-elect the following Directors who retire in accordance with Clause 100 of the Company’s Constitution and being eligible, offer themselves for re-election:- | |
| | (i) Mr. Zainurin bin Ahmad | Resolution 3 |
| | (ii) Mr. Richard Kiew Jiat Fong | Resolution 4 |
| | (iii) Mr. Hui Kok Yuan | Resolution 5 |
| 5. | To re-elect Mr. Mohammed Noor bin Ahmad who retires in accordance with Clause 107 of the Company’s Constitution and being eligible, offers himself for re-election. | Resolution 6 |
| 6. | To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the ensuring year and to authorise the Directors to fix their remuneration. | Resolution 7 |

As Special Business

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:-

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| 7. | Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) | Resolution 8 |
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“THAT subject always to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any times at such price, upon such terms and conditions, for such purpose and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

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Notice of 36th AGM (cont'd)

7. Ordinary Resolutions

- Proposed retention of Independent Non-Executive Directors

- (a) **“THAT** approval be given for Dato’ Abdul Majit bin Ahmad Khan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director until the conclusion of the next AGM. Resolution 9
- (b) **“THAT** subject to the passing of Resolution 4, approval be given for Mr. Richard Kiew Jiat Fong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director until the conclusion of the next AGM.” Resolution 10

8. To transact any other ordinary business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act 2016.

By order of the Board

Koh Fee Lee (MAICSA 7019845) (SSM PC No. 201908002220)
Voon Jan Moi (MAICSA 7021367) (SSM PC No. 202008001906)
Company Secretaries

Kuching

Dated: 29 April 2021

Notes:-

Appointment of Proxy

- i) In respect of deposited securities, only members whose names appeared in the Record of Depositors as at 19 May 2022 shall be eligible to attend, speak and vote at the Meeting.
- ii) A member entitled to attend and vote at this meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where a member appoints more than 2 proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy need not be a member of the Company.

There shall be no restriction as to the qualification of the proxy.

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.

- iii) Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- iv) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.

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Notice of 36th AGM (cont'd)

- v) Where a Member or an authorised nominee or an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- vi) The instrument appointing a proxy shall be in writing under the hand of the appointor or his 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.
- vii) Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the registered office of the Company at 8th Floor, Menara Zecon, No. 92, Lot 393, Section 5 KTL D, Jalan Satok, 93400 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

i) Audited Financial Statements for the Financial Year Ended 31 December 2021

The Audited Financial Statements under item 1 of the Agenda are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only. They do not require shareholders' approval and hence, will not be put forward for voting by shareholders of the Company.

ii) Ordinary Resolutions 3-6: Re-election of Retiring Directors

For the purpose of determining the eligibility of the Directors to stand for re-election at the 36th AGM, the Board through its Remuneration & Nomination Committee had assessed Mr. Zainurin bin Ahmad, Mr. Richard Kiew Jiat Fong, Mr. Hui Kok Yuan and Mr. Mohammed Noor bin Ahmad (collectively "the Retiring Directors"). Please refer to the Directors' Profile section for more details of these individuals. The Retiring Directors were assessed on their performance and understanding of the Group's business. Their active participation at the Board and Board Committee meetings showed that they were prepared and were effective in the discharge of their responsibilities. The Retiring Directors have always acted in the best interest of the Company as a whole.

Based on the above, the Board supports their re-election.

iii) Ordinary Resolution 7: Authority to Issue Shares pursuant to Sections 75 and 76 of the Act

Bursa Securities Malaysia Berhad has vide their letter dated 23 December 2021 given the flexibility for listed issuers to seek a higher general mandate of not more than 20% of the total number of issued shares (excluding treasury shares) for the issuance of new securities.

ZECON intends to seek its shareholders approval on the proposed Ordinary Resolution to give powers to the Directors to issue up to a maximum 20% of the issued shares of the Company (excluding treasury shares) for the time being for such purposes as the Directors would consider in the best interest of the Company and is in compliance with the Constitution ("20% General Mandate")

The Covid-19 pandemic has brought significant economic uncertainties in the markets in which the Zecon Group operates in and whilst the Group is unable to reasonably estimate the financial impact of the pandemic, the Board of Directors of Zecon is of the view that it is in the best interest of the Company and its shareholders as the Company to have a higher general mandate to enable the Company to undertake a fund-raising exercise expediently and for larger amount of proceeds to be raised to meet any potential shortfalls in financing needs.

The 20% General Mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. This mandate unless revoked or varied at a general meeting will expire at the next AGM.

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Notice of 36th AGM (cont'd)

The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the authority granted to the Directors at the Thirty-Fifth AGM held on 03 December 2020 and which will lapse at the conclusion of the 36th AGM.

iv) Ordinary Resolutions 9 and 10: Proposed Retention of Independent Non-Executive Directors

The Resolutions 9 and 10 are proposed pursuant to the revised Malaysian Code of Corporate Governance 2021, and if passed, will allow Dato' Abdul Majit bin Ahmad Khan and Mr. Richard Kiew Jiat Fong to be retained and continue to act as Independent Non-Executive Directors of the Company.

The Remuneration & Nomination Committee had assessed the independence of Dato' Abdul Majit bin Ahmad Khan and Mr. Richard Kiew Jiat Fong and recommended that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- a) They have fulfilled the criteria of an Independent Director pursuant to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad
- b) They being highly qualified and calibre persons has provided the Board with diverse set of experience, skill and expertise in exercising their roles and responsibilities.
- c) They have actively participated in Board deliberation, discharged their duties with reasonable care, skills and diligent; bring independent thought and experience and provided objectivity in decision making.
- d) They have devoted sufficient time and efforts to their responsibilities as an Independent Director and have attended all Board meetings held during the year.
- e) They have exercised due care in all undertakings of the Company and had carried out their fiduciary duties in the interest of the Company and shareholders during their tenure as an Independent Director.
- f) They have given their consent to continue as Independent Directors of the Company.

The Board with the recommendation of the Remuneration & Nomination Committee propose that the shareholders vote in favour of the resolutions for Dato' Abdul Majit bin Ahmad Khan and Mr. Richard Kiew Jiat Fong to continue to serve as Independent Non-Executive Directors of the Company.

The Proposed Resolutions 9 and 10, if passed, will enable Dato' Abdul Majit bin Ahmad Khan and Mr. Richard Kiew Jiat Fong to continue to act as Independent Non-Executive Director of the Company. Otherwise, they will be re-designated as Non-Independent Non-Executive Directors and relinquish their positions as the Independent Non-Executive Director of the Company upon the conclusion of the 36th AGM.