



LAY HONG BERHAD

(Registration No. 198301011738 (107129-H))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Lay Hong Berhad (“**LHB**” or the “**Company**”) will be held on a fully virtual basis via the online meeting platform of Securities Services e-Portal at <https://sshb.net.my/> provided by SS E Solutions Sdn. Bhd. in Malaysia on Wednesday, 28 September 2022 at 12.30 p.m. or immediately following the conclusion or adjournment of the Company’s 38th Annual General Meeting, which will be held on the same day at the same venue at 11.00 a.m., whichever is later, or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE SCHEME (“ESS”) OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF LHB AND ITS SUBSIDIARY COMPANIES (“LHB GROUP”) (EXCLUDING DORMANT SUBSIDIARIES AND/OR SUBSIDIARIES NOT INCORPORATED IN MALAYSIA) (“PROPOSED ESS”)

“**THAT**, subject to the approvals from all relevant regulatory authorities and parties being obtained for the Proposed ESS, and to the extent permitted by law and the Constitution of the Company, approval and authority be and is hereby given to the Board of Directors (“**Board**”) of the Company to undertake the following:-

- (i) to establish, implement and administer the Proposed ESS for the benefit of the eligible directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant and/or subsidiaries not incorporated in Malaysia) (“**LHB Group**”) who meet the criteria of eligibility for participation in the Proposed ESS and to implement and administer the same in accordance with the By-Laws governing the terms, rules and conditions of the Proposed ESS (“**By-Laws**”) a draft of which is set out in Appendix I of the circular to shareholders of LHB dated 30 August 2022 (“**Circular**”);
- (ii) to allot and issue and/or procure the transfer of such number of new or existing ordinary shares in the Company (“**LHB Shares**”) (as adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed ESS, provided that the total number of LHB Shares be allotted and issued pursuant to granting of LHB Shares (“**Share Grants**”) and/or options to subscribe for and/or acquire LHB Shares (“**ESS Options**”) (collectively, the “**Awards**”) to the eligible directors and eligible employees of LHB Group in relation to the Proposed ESS shall not exceed fifteen percent (15%) in aggregate of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESS and such new LHB Shares shall, upon allotment and issuance, carry the same rights as the existing LHB Shares, save and except that the new LHB Shares would not be entitled to dividend, rights, allotments and/or other forms of distribution which may be declared, made or paid to shareholders of LHB, the entitlement date of which is prior to the date of allotment of the new LHB Shares to be issued pursuant to the Awards;
- (iii) to appoint and authorise a committee (“**ESS Committee**”) by which the Proposed ESS will be administered in accordance with the By-Laws by the said ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of Directors and/ or senior management personnel of the Group to be identified from time to time;
- (iv) to make the necessary application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for permission to deal in and for the listing of and quotation for the new LHB Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESS;

- (v) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules and regulations, or to impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS;
- (vi) to appoint a trustee to facilitate the implementation of the Proposed ESS, if required ("**Trustee**");
- (vii) to provide money or other assistance (financial or otherwise), and/or to authorise and/or procure any one or more of the subsidiaries of the Company, to provide money or other assistance (financial or otherwise) from time to time if required to enable the Trustee to subscribe for and/or purchase such number of new or existing ordinary shares in the Company (as adjusted or modified from time to time pursuant to the By-Laws ("**Shares**"), if required;
- (viii) add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed ESS from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESS; and
- (ix) extend the duration of the Proposed ESS for a period of up to another five (5) years, provided always that such extension of the Proposed ESS made in accordance with the provisions of the By-Laws shall not in aggregate exceed a duration of ten (10) years from the date the Proposed ESS takes effect or such other period determined by the relevant authorities.

AND THAT the By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") (a draft of which is set out in Appendix I of this Circular), be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised with full power to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient for the Proposed ESS to be in effect."

Refer to Explanatory Note below.

ORDINARY RESOLUTIONS 2 TO 5

PROPOSED ALLOCATION TO THE FOLLOWING ELIGIBLE PERSONS WHO ARE DIRECTORS AND/OR MAJOR SHAREHOLDERS OF LHB UNDER THE PROPOSED ESS

"**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities being obtained, approval be and is hereby given to the ESS Committee from time to time throughout the duration of the Proposed ESS, to offer and grant the Awards to each of the following Directors or major shareholders of the Company as named therein below respectively, of not more than 10% of the total number of ordinary shares in the Company to be issued under the Proposed ESS, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

ORDINARY RESOLUTION 2	DATO' YAP HOONG CHAI Executive Chairman
ORDINARY RESOLUTION 3	DATO' YEAP WENG HONG Executive Director
ORDINARY RESOLUTION 4	DATO' YAP CHOR HOW Executive Director
ORDINARY RESOLUTION 5	NG KIM TIAN Executive Director

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
(SSM PC 202008002451)
Company Secretary

Kuala Lumpur
30 August 2022

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6413 3271 or email to infosr@wscs.com.my not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 September 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.

Explanatory Note

Section 85(1) of the Companies Act 2016 provides that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders".

Clause 65 of the Constitution of the Company states that:

"Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible securities 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 other convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or other convertible securities offered, and limiting a time within which the offer, if not accepted, will 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 other convertible securities offered, the Directors may dispose of those shares or other convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or other convertible securities which (by reason of the ratio which the new shares or other convertible securities bear to shares or other convertible securities held by persons entitled to an offer of new shares or other convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

By approving the issue and allotment of the LHB Shares in the Company pursuant to the Proposed ESS which will rank equally with the existing issued shares in LHB, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 and Clause 65 of the Constitution of the Company to be first offered the LHB Shares which will result in a dilution to their shareholding percentage in the Company.