

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth (25th) Annual General Meeting ("AGM") of **HeveaBoard Berhad** will be held at The Royale Chulan Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato' A.S. Dawood, 70100 Seremban, Negeri Sembilan on Monday, 10 June 2019 at 10.00 a.m., for the purpose of considering the following businesses:-

AGENDA**Ordinary Business**

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 6(i)]**
- To approve a single-tier final dividend of 1.4 sen per ordinary share in respect of the financial year ended 31 December 2018. **Ordinary Resolution 1**
- To approve the payment of Directors' fees amounting to RM854,829 per annum for the financial year ending 31 December 2019. **Ordinary Resolution 2**
- To re-elect the following Directors who retire pursuant to Article 123 of the Company's Articles of Association (Constitution), and being eligible, offered themselves for re-election- **Ordinary Resolution 3**
 - Mr. Yoong Hau Chun **Ordinary Resolution 4**
 - Ms. Yoong Li Yen **Ordinary Resolution 5**
- To re-appoint Mr. Loo Chin Meng, the Director who retires pursuant to Article 128 of the Company's Articles of Association (Constitution), and being eligible, offered himself for re-election. **Ordinary Resolution 6**
- To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

Special Business

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

- Renewal of Authority for Directors to Issue Shares** **Ordinary Resolution 7**
 "THAT subject always to the Companies Act, 2016 (the "Act"), Articles of Association (Constitution) of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue and allot not more than ten per centum (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."
- Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Authority")** **Ordinary Resolution 8**
 "THAT subject to the Companies Act, 2016, rules, regulations and orders made pursuant to the Act, provisions of the Company's Articles of Association (Constitution) and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares 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 interest of the Company provided that:-
 (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
 (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and
 (iii) the Directors of the Company may resolve to retain the shares so purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder, where such shares are held as treasury shares, the Directors may resell the treasury shares or transfer the treasury shares or cancel the treasury shares or distribute the treasury shares as dividends to shareholders.
 AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-
 (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.
 AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."
- Retention of Independent Non-Executive Director based on application of Practice 4.2 of the Malaysian Code on Corporate Governance** **Ordinary Resolution 9**
 "THAT based on application of Practice 4.2 of the Malaysian Code on Corporate Governance, Mr. Lim Kah Poon who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 1 October 2004 be and is hereby retained as an Independent Non-Executive Director of the Company."
- Proposed Adoption of New Constitution of the Company ("Proposed Adoption of New Constitution")** **Special Resolution 1**
 "THAT the existing Memorandum and Articles of Association (Constitution) of the Company be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 30 April 2019 be and is hereby adopted as the new Constitution of the Company.
 AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities."

Any Other Business

- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Articles of Association (Constitution).

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-Fifth (25th) AGM, a single-tier final dividend of 1.4 sen per ordinary share in respect of the financial year ended 31 December 2018 will be payable on 9 July 2019 to holders of ordinary shares registered in the Record of Depositors at the close of business on 25 June 2019.

A depositor shall qualify for entitlement only in respect of:-

- Shares transferred into the Depositor's Securities Account on or before 4.30 p.m. on 25 June 2019 in respect of ordinary transfers; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)

Company Secretary

Kuala Lumpur

30 April 2019

Notes:

- A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his/her proxy to attend and vote instead of the member at the meeting. 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.
- The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- 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.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- GENERAL MEETING RECORD OF DEPOSITORS**
 For the purposes of determining a member who shall be entitled to attend this Twenty-Fifth (25th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 74 of the Company's Articles of Association (Constitution) and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 31 May 2019. 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.
- EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS**
 - Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2018
 The Audited Financial Statements are laid pursuant to Section 340(1)(a) of the Companies Act, 2016 for discussion only, a formal approval of the shareholders for the Audited Financial Statements is not required. Hence, this Agenda item is not put forward for voting.
 - Ordinary Resolution 1 – Final dividend
 With reference to Section 131 of the Companies Act, 2016 (the "Act"), a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 9 July 2019 in accordance with the requirements under Section 132(2) and (3) of the Act.
 - Ordinary Resolution 2 – Directors' fees
 Section 230(1) of the Companies Act, 2016 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 by shareholders at a general meeting. In this respect, the Board seeks the shareholders' approval at this AGM on the payment of Directors' fees.
 The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fees. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' fees, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the year 2019.
 - Ordinary Resolutions 3 and 4 – Re-election of Directors pursuant to Article 123 of the Company's Articles of Association (Constitution)
 Article 123 of the Company's Articles of Association (Constitution) provides that one-third (1/3) of the Directors for the time being are subject to retirement by rotation at each AGM, and each Director must retire from office at least once in every three (3) years. Article 124 provides that a retiring Director shall be eligible for re-election.
 The profiles of Mr. Yoong Hau Chun and Ms. Yoong Li Yen who stand for re-election and their interest in the securities of the Company are set out on page 15 and 167 to 173 of the Annual Report.
 The Nomination Committee had assessed the above retiring Directors based on a pre-set criteria and had rated their performance as "Good/Competent" in discharging their duties and responsibilities as Directors. Based on the above, the Board recommended the re-election of both of them as Directors.
 - Ordinary Resolutions 5 – Re-election of Director pursuant to Article 128 of the Company's Articles of Association (Constitution)
 Pursuant to Article 128 of the Company's Articles of Association (Constitution), the newly appointed Director shall hold office until the next following AGM and shall then be eligible for re-election. As such, Mr. Loo Chin Meng who was appointed to the Board on 19 November 2018 shall retire at this AGM. He offered himself for election as Director of the Company.
 Mr. Loo Chin Meng's profile and interest in the securities of the Company are set out on page 17 and 167 to 173 of the Annual Report.
 - Ordinary Resolution 7 – Renewal of Authority for Directors to Issue Shares
 The proposed Ordinary Resolution 7, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the total number of issued shares of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.
 This is the renewal of the mandate obtained from the shareholders at the last AGM held on 30 May 2018 ("the previous mandate"). The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited for further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.
 As at the date of Notice of Meeting, no shares have been issued pursuant to the general mandate granted at the last AGM of the Company.
 - Ordinary Resolution 8 – Proposed Renewal of Authority for Purchase of Own Shares by the Company
 The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares and hold its own shares as treasury shares up to ten per centum (10%) of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM. Please refer to the Share Buy-back Statement in relation to the Proposed Renewal of Authority dated 30 April 2019, which is despatched together with the Annual Report, for further information.
 - Ordinary Resolution 9 – Retention of Independent Non-Executive Director based on application of Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG")
 The Board of Directors applies Practice 4.2 of the MCCG and seeks the shareholders' approval to continue retain Mr. Lim Kah Poon, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years through a two-tier Voting Process at this AGM.
 The Nomination Committee has assessed the independence of Mr. Lim Kah Poon as an Independent Director. To justify the retaining of the Independent Director, a rigorous review was undertaken to determine whether his independence has been impaired. The review focused not only on whether the Director's background and current activities qualify him as independent but also whether the Director can act independently of management.
 It was recommended Mr. Lim Kah Poon to continue to act as an Independent Director of the Company based on the following justifications:-
 (a) Mr. Lim Kah Poon has fulfilled the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Securities and he would be able to provide proper check and balance thus bringing an element of objectivity to the Board;
 (b) his length of services on the Board of more than twelve (12) years does not in any way interfere with the exercise of objective judgement or his ability to act in the best interest of the Group and the Company. In fact, Mr. Lim Kah Poon who is familiar with the Group's business operations and has always actively participated in Board and Board Committee discussions and has continuously provided an independent and constructive view to the Board; and
 (c) he has exercised due care during his tenure as an Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement into the decision making of the Board and in the best interest of the Company and its shareholders.
 - Special Resolution 1 – Proposed Adoption of New Constitution
 The proposed Special Resolution 1, if passed, will align the existing Memorandum and Articles of Association (Constitution) of the Company with the Companies Act, 2016 which came into force on 31 January 2017, the amendments to the Main Market Listing Requirements of Bursa Securities and the prevailing statutory and regulatory requirements applicable to the Company, to render greater clarity and consistency throughout as well as to enhance administrative efficiency. Instead of amending the existing Memorandum and Articles of Association (Constitution) which involve a substantial amount of amendments, the Board proposed that the existing Memorandum and Articles of Association (Constitution) be deleted in its entirety by replacement thereof with a new Constitution. Please refer to the Circular to Shareholders dated 30 April 2019 and the proposed new Constitution annexed as Appendix II, which is despatched together with the Annual Report, for further information.

7. STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**Details of individual who is standing for election as Director**

No individual is seeking for election as Director at the Twenty-Fifth (25th) AGM of the Company.