

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of THETA EDGE BERHAD ("Company") will be held at Tropicana Golf & Country Resort, Ballroom 1, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 28 June 2019 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESSES

- To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2018.
- To re-elect the following Directors who retire by rotation as Directors of the Company in accordance with Clause 96 of the Company's Constitution:-
 - Encik Mohamed Ridza bin Mohamed Abdulla; and
 - Encik A. Shukor bin S.A. Karim.

Puan Anis Zuhani binti Ahmad who also retires by rotation in accordance with Clause 96 of the Company's Constitution, has indicated her intention not to seek for re-election. Hence, she will retain office until the close of the Twenty-Sixth Annual General Meeting.
- To re-elect the following Director who retires by rotation as Director of the Company pursuant to Clause 102 of the Company's Constitution:-
 - Dato' Noordin bin Sulaiman
- To approve the payment of Directors' fees for an amount up to RM290,000 for the financial year ending 31 December 2019.
- To approve the payment of Directors' benefits for an amount up to RM238,000 from 29 June 2019 until the next AGM of the Company.
- To re-appoint Messrs KPMG Desa Megat PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Please refer to
Explanatory Note 1
(Resolution 1)
(Resolution 2)

(Resolution 3)
(Resolution 4)
(Resolution 5)
(Resolution 6)

AS SPECIAL BUSINESSES

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

**ORDINARY RESOLUTION 1
AUTHORITY TO ISSUE SHARES**

"THAT pursuant to Section 75 and Section 76 of the Companies Act, 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum of the number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act, 2016."

(Resolution 7)

**ORDINARY RESOLUTION 2
PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE AND RENEWAL OF THE EXISTING GENERAL MANDATE FOR CONTRACTS WHICH ARE REVENUE IN NATURE**

"THAT subject to the Companies Act, 2016 ("Act"), the provision of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Renewal of the Existing Shareholders' Mandate and Existing General Mandate for the Company to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature from time to time with the Related Party(ies) as specified in Section 2.1.2 of Part A of the Circular to Shareholders dated 29 April 2019, provided that such transactions are :-

(Resolution 8)

- recurrent transactions of a revenue or trading in nature;
 - necessary for the Company's day-to-day operations;
 - carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public; and
 - not to the detriment of minority shareholders;
- (the "Mandate");

THAT the Mandate given by the shareholders of the Company shall only continue to be in force until:-

- the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposal is passed, at which time such Mandate will lapse, unless by a resolution passed at the meeting, the authority for the Proposal is renewed;
- 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
- revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate".

**ORDINARY RESOLUTION 3
TO RETAIN ENCIK MOHAMED RIDZA BIN MOHAMED ABULLA AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

"THAT approval be and is hereby given to Encik Mohamed Ridza Bin Mohamed Abdulla to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."

(Resolution 9)

**SPECIAL RESOLUTION
PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY**

"THAT approval be and is hereby given to the Company to revoke the existing Constitution in its entirety with immediate effect and in place thereof, the new Constitution as set out in Appendix II of the Circular to the Shareholders dated 29 April 2019 be and is hereby adopted as the Constitution of the Company ("Proposed Adoption").

(Resolution 10)

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary and/or expedient in order to give full effect to the Proposed Adoption."

- To transact any other ordinary business for which due notice shall have been given.

By Order of the Board,

CYNTHIA GLORIA LOUIS (MAICSA 7008306)
CHEW MEI LING (MAICSA 7019175)
Company Secretaries

29 April 2019
Petaling Jaya

Notes:-

Appointment of Proxy

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy and vote in his stead. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 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 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 Proxy Form shall be under the hand of the appointor or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or its duly authorised attorney.
- The instrument appointing a proxy must be deposited at the Share Registrar, 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, Wilayah Persekutuan, or alternatively, Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting.

Members Entitled to Attend

For purposes of determining a member who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Depository, in accordance with Clause 67(A) of the Company's Constitution and Section 341(1) of the SICDA, to issue a General Meeting Record of Depositors as at 24 June 2019. Only a depositor whose name appears on the General Meeting Record of Depositors as at 24 June 2019 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.

Explanatory Notes:-

- Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 31 December 2018**
This Agenda Item is meant for discussion only as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.
- Re-election of Directors in accordance with Clause 96 of the Company's Constitution (Resolutions 1 and 2)**
In accordance with Clause 96 of the Company's Constitution, at least one-third (1/3) of the Directors for the time being or if their number is not three (3) or multiples of three (3), then the number nearest to one-third (1/3) shall retire from office and shall be eligible for re-election at each Annual General Meeting ("AGM"). Consequently, each Director shall retire from office at least once in every three years but shall be eligible for re-election. A Director retiring at AGM shall retain office until the close of the AGM whether adjourn or not.
Encik Mohamed Ridza bin Mohamed Abdulla and Encik A. Shukor bin S.A. Karim who retire by rotation in accordance with Clause 96 of the Company's Constitution and being eligible, offer themselves for re-election.
Puan Anis Zuhani binti Ahmad who also retires by rotation in accordance with Clause 96 of the Company's Constitution, has indicated her intention not to seek for re-election after having served on the Board of the Company for almost four (4) years since her appointment on 19 November 2015. Hence, she will retain office until the close of the Twenty-Sixth (26th) AGM.
- Re-election of Director in accordance with Clause 102 of the Company's Constitution (Resolution 3)**
In accordance with Clause 102 of the Company's Constitution, the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Constitution. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
Dato' Noordin bin Sulaiman who was appointed as the Chairman, Non-Independent Non-Executive Director on 16 April 2019 retires in accordance with Clause 102 of the Company's Constitution and being eligible, offers himself for re-election.
- Directors' Benefit (Resolution 5)**
The benefits comprises meeting allowance payable to Non-Executive Directors, details of which are as follows:-

	Board of Directors (Per Meeting) RM	Audit & Risk Management Committee (Per Meeting) RM	Nomination Committee (Per Meeting) RM	Remuneration Committee (Per Meeting) RM
Chairman	3,000	3,000	2,000	2,000
Non-Executive Member	1,500	2,500	1,500	1,500
Group Managing Director & CEO	-	-	-	-

The Group Managing Director & CEO is not entitled to any meeting allowance.

The estimated amount of RM238,000 is derived from estimated number of meetings to be held by the Board and Board Committees from 29 June 2019 until the next AGM.

- Authority to issue shares under Section 75 and Section 76 of the Companies Act, 2016 (Resolution 7)**
The Directors did not issue any new shares pursuant to the existing mandate.
The proposed Ordinary Resolution 1, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to issue and allot ordinary shares up to an aggregate amount of not exceeding 10% of the total issued shares of the Company for the time being, pursuant to Sections 75 and 76 of the Companies Act, 2016. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.
The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or acquisitions of assets and/or working capital.
- Proposed Renewal of the existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature and Renewal of the existing General Mandate for Contracts which are Revenue in Nature (Resolution 8)**
The proposed Ordinary Resolution 2, if approved, will allow Theta Edge Group to enter into Recurrent Related Party Transactions pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the Proposed Renewal of the existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature and Renewal of the existing General Mandate for Contracts which are Revenue in Nature is set out in Part A of the Circular to Shareholders of the Company dated 29 April 2019 which is dispatched together with the Company's 2018 Annual Report.
- Proposal to Retain Encik Mohamed Ridza Bin Mohamed Abdulla as an Independent Non-Executive Director of the Company (Resolution 9)**
Encik Mohamed Ridza Bin Mohamed Abdulla is currently the Senior Independent Non-Executive Director of the Company who has served the Board since 7 November 2007. He has served as an Independent Non-Executive Director of the Company for cumulative term of more than nine (9) years.
In applying the recommendation under the Malaysian Code of Corporate Governance, the Board has assessed and with the recommendation of the Nomination Committee would strongly recommend to the members of the Company to vote in favour of the resolution for Encik Mohamed Ridza Bin Mohamed Abdulla to continue to act as an Independent Non-Executive Director. This is because he has demonstrated throughout the term of his office to be independent not only by the mere fulfillment of the criteria under the definition of Independent Director in the Main Market Listing Requirements of Bursa Securities but subjectively too by providing objectivity, independent judgement and balance to Board deliberations. He provides wise and thoughtful counsel to the Board on a broad range of issues and has an active role in Board Committees to ensure good governance and risk management. His length of service on the Board does not in any way interfere with his exercise of objective judgement or his ability to act in the best interests of the Company and Group. He also has the necessary knowledge of the Group's business operations to make informed decisions.
- Proposed Adoption of a new Constitution (Resolution 10)**
The Special Resolution, if passed, will streamline the Company's Constitution with the new provisions of the Companies Act 2016, amendments made to Main Market Listing Requirements and enhance administrative efficiency.
The Board proposed that the existing Constitution be revoked in its entirety and the proposed new Constitution of the Company as set out in Appendix II of the Circular to the Shareholder dated 29 April 2019 be adopted as the new Constitution of the Company. The Proposed Adoption shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the Twenty-Sixth (26th) AGM.