

# NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10<sup>th</sup> Annual General Meeting (“AGM”) of Velesto Energy Berhad (the “Company”) will be conducted entirely through live streaming from the broadcast venue at **Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Monday, 29 June 2020 at 2.00 p.m.** for the following business:

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 and the Reports of the Directors and Auditors thereon.  
*(Please refer to Explanatory Note A).*
2. To re-elect the following Directors, each of whom retire in accordance with Article 96 of the Company’s Constitution and each of whom being eligible, offer themselves for re-election:-
  - (i) Mohd Rashid Mohd Yusof
  - (ii) Rowina Ghazali Seth
  - (iii) Haida Shenny Hazri*(Please refer to Explanatory Note B).*
3. To re-elect the Director, Datuk Tong Poh Keow, who retires in accordance with Article 103 of the Company’s Constitution and who being eligible, offers herself for re-election.  
*(Please refer to Explanatory Note C).*
4. (i) To approve the Directors Fees in accordance with the Remuneration Policy and Procedures for Non-Executive Directors of the Company, with effect from this 10<sup>th</sup> AGM until the next AGM:-

**ORDINARY RESOLUTION 1**  
**ORDINARY RESOLUTION 2**  
**ORDINARY RESOLUTION 3**

**ORDINARY RESOLUTION 4**

**ORDINARY RESOLUTION 5**

	Non-Executive Chairman	Non-Executive Directors
	Ringgit Malaysia/per annum	
Directors Fees	120,000	80,000
Directors Fees for Board Audit Committee	15,000	10,000
Directors Fees for Board Nomination & Remuneration Committee	15,000	10,000
Directors Fees for Board Risk Management Committee	15,000	10,000
Directors Fees for Board Whistle - Blowing Committee	7,500	5,000

(each of the foregoing payments being exclusive of the other)

- (ii) To approve the Meeting Allowances and other benefits in accordance with the Remuneration Policy and Procedures for Non-Executive Directors of the Company, with effect from this 10<sup>th</sup> AGM until the next AGM:-

**ORDINARY RESOLUTION 6**

	Non-Executive Chairman (Board and Board Committee)	Non-Executive Directors & Members of Board Committee
	Ringgit Malaysia/per meeting attendance	
Meeting Allowances	1,500	1,000
Other benefits including provision of company car and driver (for Chairman of the Board only), provision of mobile phone charges, medical, hospitalisation and dental coverage, Directors & Officers Liability Insurance coverage, per diem and other claimable reimbursable expenses.		

*(Please refer to Explanatory Note D).*

5. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the year ending 31 December 2020 and to authorise the Board of Directors to determine their remuneration. *(Please refer to Explanatory Note E).*
6. To transact any other ordinary business for which due notice has been given in accordance with provisions in the Company's Constitution.

**ORDINARY RESOLUTION 7**

**AS SPECIAL BUSINESS**

7. **SPECIAL RESOLUTION – PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSED SHARE CAPITAL REDUCTION”)**

**SPECIAL RESOLUTION**

“**THAT** subject to all approvals being obtained from the relevant authorities and/or parties, if applicable, and the confirmation by the High Court of Malaya pursuant to Section 116 of the Act, approval be and is hereby given for the Board to implement the Proposed Share Capital Reduction and reduce the share capital of the Company via the cancellation of RM2,210,000,000 of the issued share capital of the Company and that the credit arising from such share capital reduction shall be used to eliminate the accumulated losses of the Company;

**THAT** the remaining balance after the elimination of the accumulated losses of the Company pursuant to the Proposed Share Capital Reduction, if any, shall be credited to the retained earnings account of the Company, which may be utilised in such manner as the Board deems fit and in the best interest of the Company, as permitted by the relevant and applicable laws as well as the Constitution of the Company;

**AND THAT** the Board be and is hereby authorised to approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company with full power to assent to any conditions, variation, modifications and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.”

*(Please refer to Explanatory Note F)*

# NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to attend through live streaming this 10<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 69 of the Company's Constitution and section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 22 June 2020. Only a depositor whose name appears in the General Meeting Record of Depositors as at 22 June 2020 shall be entitled to attend or appoint a proxy to attend through live streaming and/or vote in his/her stead.

By Order of the Board,

**LEE MI RYOUNG (MAICSA 7058423)**  
**RAFIZA GHAZALI (MIA43580)**  
Company Secretaries

Kuala Lumpur  
19 May 2020

## NOTES:

### 1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairperson of the meeting to be present at the main venue of the meeting.

For the well being and safety of members, and in support of Government initiative to curb the spread of COVID-19, the Members **WILL NOT BE ALLOWED** to attend the 10<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 10<sup>th</sup> AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Administrative Guide on 10<sup>th</sup> AGM** and take note of **procedure** in order to participate remotely via RPV.

- A member of the Company entitled to attend through live streaming and vote remotely at the Meeting may appoint a proxy or proxies to attend through live streaming and vote remotely in his/her stead. A proxy may but need not be a member of the Company. Where there is more than one proxy, the member shall specify the proportion of his holdings to be represented by each proxy, failing which shall appointment shall be invalid.
- 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 said nominee may appoint in respect of each omnibus account it holds.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), he/she may appoint a proxy in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account. Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number. The instrument appointing a proxy must be in writing under the hands of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or that of an officer or attorney duly authorised. If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed under the attorney duly authorised, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A certified true copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form. Failure to comply with the above requirement would result in the Proxy Form to be invalid.

5. The Proxy Form, together with the duly registered Power of Attorney referred to in Note 4 above, if any, must be deposited at the office of the appointed Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (Registration No. 197101000970(11324-H), at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or 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 later than Saturday, 27 June 2020 at 2.00pm. The proxy form can be electronically lodge via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on submission of the proxy form via TIIH Online. All proxy forms submitted must be received by the appointed share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., not later than Saturday, 27 June 2020 at 2:00 p.m. at which the person named in the instrument proposed to vote, and in default of the instrument of proxy shall not be treated as valid.
6. A member who has appointed a proxy or attorney or authorised representative to attend through live streaming and vote remotely at this 10<sup>th</sup> AGM via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide.
7. For the purpose of determining a member who shall be entitled to attend this 10<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 69 of the Company's Constitution and section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 22 June 2020. Only a depositor whose name appears in the General Meeting Record of Depositors as at 22 June 2020 shall be entitled to attend through live streaming or appoint a proxy to attend through live streaming and/or vote remotely in his/her stead.
8. Pursuant to Paragraph 8.29A of Bursa Malaysia Main Market Listing Requirements, all resolutions set out in the Notice of the 10<sup>th</sup> AGM will be put to vote on a poll.

#### **EXPLANATORY NOTES TO THE RESOLUTIONS:**

##### **Explanatory Note A**

This agenda item is intended for discussion only as section 340(1) (a) of the Act does not require a formal approval of the Shareholders for the Audited Financial Statements of the Company. Hence, this agenda is not put forward for voting.

##### **Explanatory Note B**

Article 96 of the Company's Constitution expressly states that one-third of the Directors for the time being or the number nearest to one-third with a minimum of one, shall retire from office at all AGM, PROVIDED ALWAYS all Directors shall retire from office at least once in every three years. A retiring Directors shall be eligible to seek re-election.

At this 10<sup>th</sup> AGM, Mohd Rashid Mohd Yusof, Rowina Ghazali Seth, and Haida Shenny Hazri will be retiring as directors and are standing for re-election as Directors of the Company, and being eligible has individually offered himself/herself for re-election.

##### **Explanatory Note C**

Article 103 of the Company's Constitution provides that any Director appointed during the year, shall hold office only until the next AGM and may seek for re-election. The Director shall not be taken into account in determining the Directors retiring by rotation.

Datuk Tong Poh Keow was appointed on 29 August 2019, and therefore retires at this 10<sup>th</sup> AGM. Datuk Tong Poh Keow being eligible, is standing for re-election as Independent Non-Executive Director, at this 10<sup>th</sup> AGM.

##### **Recommendation for Re-Election of Retiring Directors**

For the financial year under review, the Board undertook a formal and objective annual evaluation to determine the effectiveness of the Board, its Board Committees as well as each of the individual director.

The Board Nomination and Remuneration Committee ("**BNRC**") and the Board were satisfied that all the retiring directors has contributed positively to the overall performance of the Board and that in consideration of the wealth of experience which the retiring directors possess, they will continue to bring sound advice and valuable contributions to the Board deliberations through active participation and decision making by the Board.

All retiring directors, have abstained from deliberations and decisions on their own eligibility to stand for re-election at BNRC and Board (whichever is applicable) and will also abstain from deliberation and decision on re-election at this 10<sup>th</sup> AGM.

# NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING

Both the BNRC and the Board recommended the re-election of Mohd Rashid Mohd Yusof, Rowina Ghazali Seth, Haida Shenny Hazri, and Datuk Tong Poh Keow as the Directors of the Company, at this 10<sup>th</sup> AGM. In addition, Mohd Rashid Mohd Yusof, Rowina Ghazali Seth and Datuk Tong Poh Keow, being the Independent Non-Executive Director, has each provided his/her annual declaration of independence to the Company.

## **Explanatory Note D**

Article 105 of the Company's Constitution provides that the Directors' remuneration shall be determined by a fixed sum by an ordinary resolution of the Company in general meeting.

Section 230 (1) of the Act provides that the fees of directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The guidance on estimated amount of meeting allowances paid to the Non-Executive Chairman and other Non-Executive Directors for Board and Board Committee meetings held in the financial year ended 31 December 2019 are disclosed in Corporate Governance Overview Statement of this Annual Report.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting resolutions 5 and 6 concerning remuneration to the Non-Executive Directors at the 10<sup>th</sup> AGM.

NOTE: The Chairman of the Board, Dato' Abdul Rahman Ahmad has not exercised his entitlement for Leave Passage as well as company car and driver.

A copy of the Remuneration Policy and Procedures for Non-Executive Directors is available at the Company's corporate website [www.velesto.com](http://www.velesto.com)

## **Explanatory Note E**

Pursuant to Section 271(4)(a) of the Act, the Shareholders are required to approve the re-appointment of Auditors who shall hold office until the conclusion of the next AGM and to authorise the Board of Directors' to determine their remuneration thereof. The present Auditors, Messrs. Ernst & Young PLT has indicated their willingness to continue its services for another year.

The Board Audit Committee and the Board have considered the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company, having undertaken an annual assessment of the suitability and independence of the external Auditors, have collectively agreed that Messrs. Ernst & Young PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Messrs. Ernst & Young PLT's re-appointment is subject to the approval of the Shareholders at the forthcoming AGM. If their appointment is approved, they shall hold office until the conclusion of the next AGM of the Company.

## **Explanatory Note F**

Further details on the Proposed Special Resolution is set out in the Circular to Shareholders dated 19 May 2020.

## **Annual Report 2019**

*Following the Malaysia Government's announcement dated 10 May 2020 relating to the further extension of the Movement Control Order ('MCO') until 9 June 2020, there may be some delay in the delivery of the printed copies of the Annual Report 2019, as requested by the shareholders. The printed copies will be delivered once they are made available to the Company. In support of the paperless report, shareholders are strongly encouraged to refer to Annual Report 2019 available on the company website [www.velesto.com](http://www.velesto.com)*