

Notice of the Twenty-First Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting (“**21st AGM**”) of the Company will be held at the Function Room 2, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on **Wednesday, 31 May 2023** at 10:30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 12)**
2. To approve the payment of Directors’ fees up to an amount of RM255,000/- from 1 June 2023 until the Twenty-Second AGM of the Company. (Resolution 1)
3. To approve the payment of Directors’ benefits payable up to an amount of RM24,000/-, from 1 June 2023 until the Twenty-Second AGM of the Company. (Resolution 2)
4. To re-elect Mr. Tan Chin Hwee who is retiring in accordance with Clause 120 of the Company’s Constitution and being eligible, has offered himself for re-election. (Resolution 3)

Mr. Siow Kee Yen who is retiring in accordance with Clause 120 of the Company’s Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the close of the 21st AGM. (Please refer to Explanatory Notes (ii))
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 4)

As Special Business

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

6. **Ordinary Resolution** (Resolution 5)
Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights

THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being (“**General Mandate**”);

AND THAT approval be and is hereby given for the pre-emptive rights of the shareholders of the Company under Section 85 of the Act read together with Clause 14 of the Constitution, over all the new shares to be issued pursuant to and/or arising from the General Mandate ranking equally to the existing issued shares, being in proportion as nearly as the circumstances admit, to the amount of the existing shares held by the shareholders of the Company as at the date of issuance and allotment of such new shares (“**Pre-emptive Rights**”), be irrevocably and unconditionally waived (“**Waiver of Pre-emptive Rights**”).

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AND THAT the Company be exempted from the obligation to offer such new shares to be issued and allotted pursuant to the General Mandate to the shareholders of the Company in accordance with the Pre-emptive Rights.

AND THAT the Directors and/or the Company Secretary be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company.

AND THAT 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 Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.

7. **Ordinary Resolution** (Resolution 6)
Retention of Mr. Tan Chin Hwee as an Independent Non-Executive Director

THAT subject to Resolution 3, approval be and is hereby given to Mr. Tan Chin Hwee, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, retain as an Independent Non-Executive Director of the Company.

8. **Ordinary Resolution** (Resolution 7)
Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

THAT subject to the provisions of the Bursa Securities Main Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries ("**ORNA Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Party as specified in Section 1.4 of Part A of the Circular/Statement to Shareholders dated 28 April 2023, which are necessary for the day-to-day operations of ORNA Group to be entered into by ORNA Group provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the Proposed New Shareholders' Mandate is subject to annual review. In this respect, any authority conferred by the Proposed New Shareholders' Mandate, shall only continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed; or
- (ii) 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
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier,

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

9. **Ordinary Resolution** (Resolution 8)
Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

THAT subject to the provisions of the Bursa Securities Main Market Listing Requirements, approval be and is hereby given for the renewal of the existing shareholders' mandate for ORNA Group to enter into recurrent related party transactions of a revenue or trading nature with the Related Party as specified in Section 1.4 of Part A of the Circular to Shareholders dated 28 April 2023 which are necessary for the day-to-day operations of the ORNA Group, to be entered by the ORNA Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until the earlier of:-

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

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

10. **Ordinary Resolution** (Resolution 9)
Proposed Renewal of Authority for the Company to Purchase Its Own Shares ("Proposed Renewal of Share Buy-Back Authority")

THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

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THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

- (i) to cancel all the shares so purchased; and/or
- (ii) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
- (iii) to retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.

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

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) / SSM PC NO.: 201908002648
YAU JYE YEE (MAICSA 7059233) / SSM PC NO.: 202008000733
Company Secretaries

Melaka
Dated: 28 April 2023

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IMPORTANT NOTICE

1. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
2. Where a member of the Company is an authorised nominee as defined under 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 with ordinary shares of the Company standing to the credit of the said securities account.
3. 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing and signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing proxy(ies) must be made either under its common seal or signed by an officer or an attorney duly authorised.
6. The Form of Proxy duly completed must be deposited at the Company's Share Registrar at Aldpro Corporate Services Sdn. Bhd., B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 21st AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
7. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
8. Last date and time for lodging the Form of Proxy is **Monday, 29 May 2023 at 10:30 a.m.**
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Aldpro Corporate Services Sdn. Bhd., B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 21st AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Company's Share Registrar at Aldpro Corporate Services Sdn. Bhd., B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

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(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

11. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 23 May 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 21st AGM or appoint proxies to attend and vote in his stead.

12. **Publication of Notice of 21st AGM and Form of Proxy on Corporate Website**

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the Proxy Form are available at the corporate website of Ornapaper Berhad at <https://ornapaper.com/annual-general-meeting/>.

13. **Audited Financial Statements for the financial year ended 31 December 2022**

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes:-

(i) **Payment of Directors' Fees and Benefits Payable**

Section 230(1) of the Act 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 at a general meeting.

The proposed Resolution 1, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("NEDs") by the Company for the period from 1 June 2023 to the Twenty-Second AGM of the Company and to be payable on a monthly basis in arrears after each month of completed service of the Directors. This resolution is to facilitate payment of Directors' fees on current financial year basis.

The proposed Resolution 2, if approved, will authorise the payment of Directors' benefits to the Directors by the Company. The proposed Directors' benefits payable is for the period from 1 June 2023 to the Twenty-Second AGM of the Company and the estimated amount is derived from the estimated meeting allowance based on the number of scheduled meetings. The Directors' benefits comprised of meeting allowance only.

(ii) **Re-election of Director who is retiring in accordance with Clause 120 of the Company's Constitution**

Pursuant to Clause 120 of the Company's Constitution, both Mr. Tan Chin Hwee and Mr. Siow Kee Yen are to retire at the forthcoming 21st AGM of the Company. Mr. Tan Chin Hwee being eligible, has offered himself for re-election at the 21st AGM while Mr. Siow Kee Yen has expressed his intention not to seek re-election. Therefore, Mr. Siow Kee Yen shall retire upon the conclusion of the 21st AGM of the Company.

The Board of Directors has through the Nomination Committee carried out the necessary assessment of Mr. Tan Chin Hwee and concluded that he met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time commitment to effectively discharge his roles as Director.

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The profile of the Director standing for re-election are provided on page 3 of this 2022 Annual Report.

(iii) **Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights**

The proposed Resolution 5 is intended to renew the authority granted to the Directors of the Company at the Twentieth AGM of the Company held on 10 June 2022 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being ("**General Mandate**").

The General Mandate granted by the shareholders at the 20th AGM of the Company had not been utilised and hence no proceed was raised therefrom.

The new General Mandate will enable the Directors to take swift action for the allotment of shares for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

Subsection 85(1) of the Act states that "Subject to the Constitution, where a company issue 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".

It is also provided under Clause 14 of the Constitution of the Company that subject to any direction to the contrary that may be given by the Company in general meeting and subject always to the Constitution and the Act, all new shares or other securities shall, before issue, be offered to Members who 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 securities to which they are entitled.

Accordingly, the Company wishes to seek approval from the shareholders of the Company to waive their pre-emptive rights under Section 85 of the Act read together with Clause 14 of the Constitution insofar as the exercise by the Company of the General Mandate to issue and allot new shares is concerned, for the Company to issue new shares to any person, whether is a member or not, in such numbers or proportions as the Directors may determine under the General Mandate. As such, by approving Ordinary Resolution 5, the shareholders have and shall be deemed to have irrevocably and unconditionally waived their Pre-Emptive Rights.

(iv) **Retention as Independent Non-Executive Directors**

Mr. Tan Chin Hwee was appointed as an Independent Non-Executive Director of the Company on 22 January 2014 and has served on the Board of Directors ("**the Board**") for a cumulative term of more than nine (9) years. In accordance with the Malaysian Code on Corporate Governance, the Board, after having assessed the independence of Mr. Tan Chin Hwee, regarded him to be independent based amongst others, the following justifications and recommends that Mr. Tan Chin Hwee be retained as Independent Non-Executive Director of the Company:

- a. He has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements;
- b. He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s), especially material contract(s), with the Company and/or its subsidiary companies; and
- c. The Board is of the opinion that Mr. Tan Chin Hwee is an important Independent Non-Executive Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as Independent Non-Executive Director.

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(v) Proposed New Shareholders' Mandate and Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolutions 7 and 8, if approved, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 28 April 2023 for detailed information.

(vi) Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 9, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

For further information on the Proposed Renewal of Share Buy-Back Authority, please refer to the Circular/Statement to Shareholders dated 28 April 2023.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 21st AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.