

NOTICE OF ANNUAL GENERAL MEETING

SCGM BHD

(Company No. 779028 H)

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting ("AGM") of the Company will be held at the Creator Hotel, Ballroom, 3rd Floor, Kulai Centre Point, Lot.1566, Batu 20, Jalan Besar, 81000, Kulai, Johor on Friday, 2 September 2016 at 3.00 p.m. for the purpose of transacting the following businesses:-

A G E N D A

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 April 2016 together with the Directors' and Auditors' Reports thereon. *Please refer Note A.*
2. To approve the payment of Directors' fees for the financial year ended 30 April 2016. *Ordinary Resolution 1*
3. To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (i) Dato' Sri Lee Hock Seng *Ordinary Resolution 2*
 - (ii) Dato' Sri Lee Hock Chai *Ordinary Resolution 3*
 - (iii) Amrik Singh Harcharan Singh *Ordinary Resolution 4*
4. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions:-

5. RETENTION OF INDEPENDENT DIRECTORS

To retain the following Directors who have served as Independent Non-Executive Directors for a cumulative period of more than 9 years:-

- (i) Amrik Singh Harcharan Singh *Ordinary Resolution 6*
 - (ii) Tang Nai Soon *Ordinary Resolution 7*
 - (iii) Wong Tun Boon *Ordinary Resolution 8*
6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** *Ordinary Resolution 9*

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time 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 (10) per cent of the issued share capital of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 10

“THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 1965 (“ACT”), provisions in the Company’s Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Renewal of Share Buy-Back”) 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 or held does not exceed ten per centum (10%) of the issued and paid-up share capital 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 such number of ordinary shares shall not exceed the retained profit and share premium account of the Company. As at the latest financial year ended 30 April 2016, the audited retained profit and share premium account of the Company stood at RM45,965,319 and RM27,227,367 respectively;
- (iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-
 - (a) at the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by 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) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manners:-

- (a) to cancel the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or
- (c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or
- (d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company.”

8. To transact any other business which may properly be transacted at an AGM for which due Notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA 0799845)

M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA 0781031)

Company Secretaries

Kuala Lumpur

11 August 2016

Notes:-

- A. This Agenda item is meant for discussion only as the provision in the Company’s Articles of Association does not require a formal approval of the shareholders and hence, is not put forward for voting.
1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Ninth AGM, the Company shall be requesting the Record of Depositors as at 26 August 2016. Only a depositor whose name appears on the Record of Depositors as at 26 August 2016 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the meeting is entitled to appoint up to two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy but not more than two proxies for each securities account which it holds and the shares of the Company standing to the credit of the said securities account.
6. 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.
7. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business

Ordinary Resolution 6 to 8 - Retention of Independent Directors

The Board of Directors has vide the Nomination Committee conducted an assessment of independence of the following directors who have served as Independent Non-Executive Directors for a cumulative term of more than nine years and recommended them to continue to act as Independent Non-Executive Directors based on the following justification:

- (i) Amrik Singh Harcharan Singh
- (ii) Tang Nai Soon
- (iii) Wong Tun Boon

Justifications:-

The Board holds the view that the Independent Directors remain objective and independent in carrying out his roles and responsibilities as member of the Board and Board Committees. The length of service does not impair his ability and exercise of independent judgment as Independent Director. Therefore, the Board has recommended and supported that the approval of the shareholders be sought for him to continue to act as the Independent Non-Executive Director of the Company.

Ordinary Resolution 9 – Authority to allot and issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the Ninth AGM of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issue capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue and allot shares at any time to such persons/corporations in their absolute discretion for the purpose of funding future investment(s), working capital and/or acquisitions.

During the financial year ended 30 April 2016, 12,000,000 ordinary shares of RM0.50 each were issued by way of private placement in two tranches at an issue price of RM2.61 per share ("Private Placement") pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 18 August 2015. The total proceeds of RM31,320,000.00 raised from the Private Placement is mainly for capital expenditure and working capital.

Ordinary Resolution 10 - Proposed Renewal of Share Buy-Back

The Company has at the Eighth AGM on 18 August 2015, seek for shareholders' mandate but has never exercised the power to buy-back shares during the financial year. The mandate will be expired at the conclusion of the Ninth AGM.

The Board would like to seek for shareholders' mandate at the Ninth AGM.

This resolution will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back are set out in the Share Buy-Back Statement dated 11 August 2016 which has been dispatched together with the Company's Annual Report 2016.