



RAYA INTERNATIONAL BERHAD

(Company No.: 412406-T)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Raya International Berhad ("Raya" or the "Company") will be held at Hazel & Ivy Room, Level 2M, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor on Friday, 19 May 2017 at 10.00 a.m., or at any adjournment thereof for the purpose of considering and if thought fit to pass the following resolution(s), with or without any modifications:

SPECIAL RESOLUTION

PROPOSED REDUCTION OF RM8,528,533 OF THE SHARE CAPITAL OF RAYA BY CANCELLATION OF RAYA'S SHARE CAPITAL PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT") AND SUCH CREDIT WILL BE UTILISED TO SET-OFF AGAINST THE ACCUMULATED LOSSES OF THE COMPANY ("PROPOSED SHARE CAPITAL REDUCTION")

"THAT subject to the confirmation of the High Court pursuant to Section 116 of the Act, approval be and is hereby given to the Company to reduce RM8,528,533 of the Company's share capital by cancelling RM8,528,533 of the Company's share capital.

THAT the credit arising from the Proposed Share Capital Reduction to be utilised to reduce the accumulated losses of the Company.

AND THAT authority be and is hereby given to the Directors to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to finalise, implement and give effect to the Proposed Share Capital Reduction with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/ parties and/or the High Court.

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF ONE (1) VESSEL KNOWN AS "STURGEON" FOR A CONSIDERATION OF RM3,200,000 TO BE SATISFIED VIA THE ISSUANCE OF 20,000,000 NEW ORDINARY SHARES IN RAYA ("RAYA SHARES" OR "SHARES") AT AN ISSUE PRICE OF RM0.16 PER RAYA SHARE ("PROPOSED ACQUISITION OF STURGEON")

"THAT, subject to the approvals of all relevant authorities and/or parties, if required, being obtained and the terms and conditions stipulated in the Memorandum of Agreement dated 14 November 2016 between Raya and Sturgeon Asia Ltd ("Seller 1"), the Board of Directors of Raya ("Board") be and is hereby authorised to acquire Sturgeon for a consideration of RM3,200,000 to be satisfied via the issuance of 20,000,000 new Raya Shares at an issue price of RM0.16 per Raya Share.

THAT such new Raya Shares to be issued pursuant to the Proposed Acquisition of Sturgeon shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Raya Shares, except that the holders of the new Raya Shares to be issued pursuant to the Proposed Acquisition of Sturgeon will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared by Raya in respect of which the entitlement dates are prior to the date of allotment of the new Raya Shares to be issued pursuant to the Proposed Acquisition of Sturgeon.

AND THAT the Board be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give effect to complete the Proposed Acquisition of Sturgeon and with full power to assent any conditions, modifications, variations and/or amendments in any manners as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Acquisition of Sturgeon."

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION OF ONE (1) VESSEL KNOWN AS "STRAITS 1" FOR A CONSIDERATION OF RM2,800,000 TO BE SATISFIED VIA CASH FROM THE PROCEEDS RAISED FROM THE PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS (AS DEFINED HEREIN) ("PROPOSED ACQUISITION OF STRAITS 1")

"THAT, subject to the passing of Ordinary Resolution 3 and the approvals of all relevant authorities and/or parties, if required, being obtained and the terms and conditions stipulated in the Memorandum of Agreement dated 14 November 2016 between Raya and Straits Holdings Ltd ("Seller 2"), the Board of Directors of Raya ("Board") be and is hereby authorised to acquire Straits 1 for a consideration of RM2,800,000 to be satisfied via cash from the proceeds raised from the Proposed Rights Issue of Shares with Warrants.

AND THAT the Board be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give effect to complete the Proposed Acquisition of Straits 1 and with full power to assent any conditions, modifications, variations and/or amendments in any manners as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Acquisition of Straits 1."

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 183,952,000 NEW RAYA SHARES ("RIGHTS SHARE") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING RAYA SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("RIGHTS ENTITLEMENT DATE"), TOGETHER WITH UP TO 183,952,000 FREE DETACHABLE NEW WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED BY THE ENTITLED SHAREHOLDERS ("PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS")

"THAT subject to the approvals of all relevant authorities and/or parties, if required, being obtained, approval be and is hereby given to the Company to:

- provisionally issue and allot by way of a renounceable rights issue of up to 183,952,000 Rights Shares on the basis of one (1) Rights Share for every one (1) existing Raya Share held on the Entitlement Date, together with up to 183,952,000 new Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed by the shareholders of Raya whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;
- determine the final issue price of the Rights Shares as stated in Section 2.3.2 of Part A of the circular to shareholders of Raya dated 25 April 2017 ("Circular");
- determine the exercise price of the new Warrants as stated in Section 2.3.2 of Part A of the Circular
- constitute the Warrants upon the terms and conditions of a deed poll to be executed by Raya ("Deed Poll"), the salient terms of which are as set out in **Appendix I** of the Circular;
- issue and allot such other additional Warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll;
- issue and allot such number of new Raya Shares arising from the exercise of the Warrants during the tenure of the Warrants;
- utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 3 of Part A of the Circular and the Board be and is hereby authorised to revise the utilisation of the proceeds as they may deem fit and in the best interest of the Company; and
- enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares and Warrants that may arise from the Proposed Rights Issue of Shares with Warrants, in such manner at their absolute discretion as they may deem fit or expedient or in the best interest of the Company.

THAT the Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renounee(s) (if applicable) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

THAT the Rights Shares and the new Raya Shares to be issued arising from the exercise of the Warrants will, upon issuance and allotment, rank *pari passu* in all respects with the then existing Raya Shares, save and except that the Rights Shares and the new Raya Shares arising from the exercise of the Warrants, shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment of the Rights Shares and such new Raya Shares arising from the exercise of the Warrants.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants."

ORDINARY RESOLUTION 4

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the passing of Ordinary Resolutions 1 and 2, and the provision of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group be and is hereby authorised to enter into and give effect to the new recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2 of Part C of the Circular ("**Related Parties**") provided that such transactions and/or arrangement are:

- necessary for the day-to-day operations;
- are undertaken in the ordinary course of business in arms's length commercial terms which are 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.

AND THAT such approval, shall continue to be in force until:

- the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("**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 of the Company in general meeting.

whichever is earlier.

AND THAT the Directors be and are hereby authorised 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 Proposed New Shareholders' Mandate.

BY ORDER OF THE BOARD

RAYA INTERNATIONAL BERHAD

WAN HASLINDA BINTI WAN YUSOFF (MAICSA 7055478)

SANGAR NALLAPPAN (MACS 01413)

Company Secretaries

Port Klang

Dated: 25 April 2017

Notes:

- A member of the Company who is entitled to attend and vote at this EGM is entitled to appoint a proxy/proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.
- A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
- 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"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of its attorney duly authorised in writing.
- The original signed instrument appointing a Proxy or the Power of Attorney or other Authority, if any, under which it is signed or a notarially certified copy of that Power or Authority must be deposited at the office of the Share Registrar of the Company i.e. at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the meeting or at adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- Paragraph 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of EGM to be put to vote by poll.
- For the purpose of determining a member who shall be entitled to attend this EGM, only members whose name appears on the Record of Depositors as at 15 May 2017 shall be entitled to attend the said meeting or appoint proxy to attend and / or vote on his / her behalf.