

TH HEAVY ENGINEERING BERHAD
(Company No. 634775-D)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the THIRTEENTH ANNUAL GENERAL MEETING of the Company will be held at Ballroom 1, First Floor, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 May 2017 at 2:30 p.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note A) (Resolution 1)
- To approve the payment of Directors' Fees amounting to RM521,754.10 for the financial year ended 31 December 2016. (Resolution 2)
- To approve the Directors' benefits payable to the Directors of the Company with effect from 1 February 2017 until the next Annual General Meeting of the Company in year 2018. (Please refer to Explanatory Note B) (Resolution 3)
- To re-elect Dato' Indera Dr. Md Yusop Bin Omar who retires pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election. (Resolution 4)
- To re-elect Dr. Ir. Samad Bin Solbai who retires pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for election. (Resolution 5)
- To re-appoint Messrs. Deloitte PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)

As Special Business

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

- ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Resolution 6)

"THAT subject to Sections 75 and 76 of the Companies Act 2016, the Articles of Association of the Company, and the approvals of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors of the Company 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 (10%) of the total number of issued shares of the Company for the time being **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad **AND** be hereby authorised to do all such acts and things including executing all relevant documents as they may consider expedient or necessary to complete and give full effect to the above said mandate."

- ORDINARY RESOLUTION**
PROPOSED RETENTION OF TOO KOK LENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR (Resolution 7)

"THAT Too Kok Leng be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting pursuant to the Malaysian Code on Corporate Governance 2012."

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

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)

TAN LEY THENG (MAICSA 7030358)

Company Secretaries

Kuala Lumpur

28 April 2017

EXPLANATORY NOTE A

Audited Financial Statements for the financial year ended 31 December 2016

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

EXPLANATORY NOTE B

Resolution 2

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

In this respect, the Company wishes to seek its shareholders' approval on the Directors' benefits payable to the Non-Executive Directors of the Company with effect from 1 February 2017 until the next Annual General Meeting in year 2018 ("the Period"). The Directors' benefits payable for the Period comprise the following:-

Meetings Allowance

		RM	Remarks
Board	Chairman	RM1,000/- per meeting	The meetings allowance shall only be paid whenever meetings are called during the Period.
	Director	RM1,000/- per meeting	
Board Sub-Committee	Chairman	RM500/- per meeting	
	Director	RM500/- per meeting	

EXPLANATORY NOTE TO SPECIAL BUSINESS:

Resolution 6

The Company wishes to renew the mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the Thirteenth Annual General Meeting of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Twelfth Annual General Meeting of the Company held on 23 May 2016 (hereinafter referred to as the "Previous Mandate").

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

The Previous Mandate was not utilised and accordingly, no proceeds were raised.

Resolution 7

Too Kok Leng was appointed as Independent Non-Executive Director of the Company on 28 January 2008 and has therefore, served the Board for a cumulative term of more than nine (9) years. In accordance with the Malaysian Code on Corporate Governance 2012, the Board recommends that Too Kok Leng should be retained to continue in office as Independent Non-Executive Director based on the following justifications:-

- he has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- he is able to exercise independent judgement and act in the best interests of the Company.
- there is no potential conflict of interest that Too Kok Leng could have with the Company as he has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- he has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Director, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level, consistent and expected of him to carry out his duties as an Independent Non-Executive Director.

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 May 2017 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting subject always to a maximum of two (2) proxies at each meeting, a proxy may but need not be a member of the Company.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he or she specifies the proportion of his or her holdings to be represented by each proxy.
- A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) 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 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Company's Registered Office located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.