

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of SEG International Bhd ("SEGI" or "the Company") will be held at Level 2, Right Wing, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 May 2017 at 2.30 p.m. for the following purposes:



AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the year ended 31 December 2016 together with the Reports of Directors and Auditors thereon. **(Please refer to Note 1) (Ordinary Resolution 1)**
- To approve the payment of Directors' fees for the year ended 31 December 2016. **(Ordinary Resolution 2)**
- To re-elect the following Directors who retire pursuant to Article 86 of the Constitution of the Company:- **(Ordinary Resolution 3)**
 - Tan Sri Clement Hui Chii Kok
 - Goh Leng Chua
- To elect the following Director who retires pursuant to Article 93 of the Constitution of the Company: **(Ordinary Resolution 4)**
 - Datuk Mohamed Azahari Bin Mohamed Kamil
- To re-appoint Messrs. Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

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

6. Re-appointment of Director

- "THAT Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas be and is hereby re-appointed as Director of the Company." **(Ordinary Resolution 6)**

7. Authority to allot and issue shares pursuant to Section 75 of the Companies Act, 2016

"THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines, the Directors be and are hereby empowered, pursuant to Section 75 of the Act, to issue shares in the Company, at any 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 to be issued pursuant to this resolution in any one financial year does not exceed ten percent (10%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company." **(Ordinary Resolution 7)**

8. Proposed Renewal of Authority for the Purchase by SEG International Bhd ("SEGI") of its Own Shares ("Proposed Share Buy-Back")

"THAT, subject to the Act (as may be amended, modified or re-enacted from time to time), the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase on the market of the Bursa Securities and/or hold such number of ordinary shares in SEGI ("SEGI Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- the total aggregate number of shares purchased or to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid up share capital of the Company for the time being;
 - the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the total retained profits of the Company at the time of the purchase(s). As at 31 December 2016, the Company's retained profits based on the latest audited financial statements were recorded at RM2,453,000; and
 - upon the purchase by the Company of its own shares, the Directors shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and subsequently distributed as dividends or resold on the market of the Bursa Securities or be cancelled or any combination thereof;
- AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:
- the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company in a general meeting;
 - the expiry 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
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever is the earlier;
- AND THAT the Directors be and are hereby authorised to act and to take all such steps to give full effect to the Proposed Share Buy-Back and do all such acts and things as they may deem necessary or expedient in the best interests of the Company." **(Ordinary Resolution 8)**

9. Retention of Independent Directors

- To retain the following as Independent Non-Executive Directors of the Company in accordance with Malaysian Code on Corporate Governance 2012:
- Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas **(Ordinary Resolution 9)**
 - Dato' Amos Siew Boon Yeong **(Ordinary Resolution 10)**

10. Proposed Allocation of Employees' Share Option Scheme ("ESOS") Options under the Long Term Incentive Plan ("LTIP") to Hew Moi Lan

"THAT in addition to the existing allocation, approval be and is hereby given to the Board, from time to time throughout the duration of the LTIP to offer and grant Hew Moi Lan, Executive Director/Chief Executive Officer of the Company, up to 1,400,000, additional options to subscribe for new SEGI Shares under the LTIP, in accordance with the Main Market Listing Requirements of Bursa Securities (where applicable), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provisions of the LTIP By-Laws.

AND THAT in order to implement, complete and give full effect to such allocation, allotment and issuance, approval be and is hereby given to the Directors of the Company to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company." **(Ordinary Resolution 11)**

11. Proposed amendment to the Constitution of the Company

- "THAT, the deletion of the existing Article 96.1 of the Constitution of the Company, as set out below, be and is hereby approved. Article 96 The office of Director shall, ipso facto, be vacated - 96.1 upon his attainment of the age of 70 years, unless it has been previously approved by resolution passed by a majority of not less than three-fourths of such members of the Company entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of the Company." **(Special Resolution 1)**
12. To consider any other business of which due notice shall have been given.

By Order of the Board

CHONG POH YEE (MIA 7620)
HEW LING SZE (MAICSA 7010381)
Secretaries

Petaling Jaya, Selangor
29 April 2017

NOTES:

- The Agenda item No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A member who is an exempt authorised nominee may appoint at least one proxy in respect of each securities account it holds.
- The Form of Proxy must be deposited at the Registered Office of the Company at 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time and date of the meeting or adjourned meeting and in the case of a poll, it shall be deposited not less than 24 hours before the time appointed for the taking of the poll.
- Explanatory notes on Special Business:
 - Ordinary Resolution 6 – Re-appointment of Director**

The proposed Resolution 6 is to seek the shareholders' approval on the re-appointment of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas who had been re-appointed in the previous Annual General Meeting held on 24 May 2016 as Director under Section 129(6) of the former Companies Act 1965 which was then in force and whose term would expire, at the conclusion of this meeting, as Director of the Company. If passed, the proposed Resolution 6 will authorise the continuation of the Director in office from the date of this AGM onwards and he shall subject to retirement by rotation going forward.
 - Ordinary Resolution 7 – Authority to allot and issue shares pursuant to Section 75 of the Companies Act, 2016**

The proposed Ordinary Resolution 7, if passed, will give authority to the Directors of the Company to issue ordinary shares in the Company up to an aggregate amount of not exceeding ten percent (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest 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.

The general mandate, once approved and renewed, will provide flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Thirtieth AGM held on 24 May 2016 and hence no proceeds were raised therefrom.
 - Ordinary Resolution 8 – Proposed Renewal of Authority for the Proposed Share Buy-Back**

The proposed Ordinary Resolution 8, if passed, will empower the Directors to purchase SEGI shares through Bursa Securities up to an amount not exceeding ten percent (10%) of the issued and paid up share capital 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.

Detailed information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 29 April 2017 which is despatched together with this Annual Report
 - Ordinary Resolutions 9 and 10 – Retention of Independent Directors**

The Board of Directors has wide the Nominating Committee conducted an assessment of independence of the following Directors who have served as Independent Directors for a cumulative term of more than nine years and recommended them to continue to act as Independent Directors based on the following justifications:
 - Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas
 - Dato' Amos Siew Boon Yeong

Justifications

 - They have met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and are therefore able to give independent opinion to the Board;
 - They are Directors for more than one year, enabled them to contribute positively during deliberations/discussions at meetings as they are familiar with the operations of the Company and possess in depth knowledge of the Company's operations;
 - They have contributed sufficient time and exercised due care during their tenure as Independent Directors;
 - They have discharged their professional duties in good faith and also in the best interest of the Company and shareholders;
 - They have vigilantly safeguarded the interests of the minority shareholders of the Company;
 - They have the caliber, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
 - They have never compromised on their independent judgement.
 - Ordinary Resolution 11 – Proposed grant of additional ESOS Options to Hew Moi Lan ("the Proposed Allocation")**

The proposed Ordinary Resolution 11 is made pursuant to the LTIP which had been approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 18 June 2014. The LTIP was implemented on 1 July 2014 and is currently in force for a period of ten (10) years from the effective date of implementation of the LTIP ("LTIP Period").

The shareholders at the EGM had earlier approved the offer and grant Hew Moi Lan up to 2,500,000, options to subscribe for new SEGI Shares and/or SEGI Shares under the LTIP, subject to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the LTIP By-Laws. The Board now wishes to seek the approval of shareholders to allocate additional ESOS Options up to 1,400,000 as described in the Ordinary Resolution 10.

The proposed Ordinary Resolution 11 is to approve the Proposed Allocation, subject always to such terms and conditions and/or any adjustments and/or variations which may be made in accordance with the provisions of the LTIP By-Laws.

The Proposed Allocation is part of the incentive scheme which SEGI has implemented for all its employees.

Hew Moi Lan, is eligible to participate in the LTIP, and is therefore deemed interested to the extent of her Proposed Allocation under the LTIP. Accordingly, she has declared her interest in the Proposed Allocation and has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to her entitlement under the LTIP at the Board meeting(s) and will continue to abstain from voting in respect of her direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Allocation to be tabled at this AGM. Hew Moi Lan shall also abstain from participating connected with her will obtain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution approving the Proposed Allocation to be tabled at this AGM.

Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to her has any interest, whether direct or indirect, in the Proposed Allocation.