



EG INDUSTRIES BERHAD
(Company No.: 222897)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of EG Industries Berhad ("EGIB" or "Company") will be held at EG Industries Berhad, Corporate Boardroom, Lot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah on Thursday, 15 June 2017, at 11.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit to pass the following resolutions, with or without any amendments:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 67,296,172 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") AT AN INDICATIVE ISSUE PRICE OF RM0.95 PER RCPS ON THE BASIS OF 1 RCPS FOR EVERY 4 EXISTING ORDINARY SHARES HELD IN EGIB ("EGIB SHARE(S)" OR "SHARE(S)") AT AN ENTITLEMENT DATE TO BE DETERMINED ("PROPOSED RIGHTS ISSUE")

"THAT subject to the passing of Ordinary Resolution 2 and Special Resolution 1, and the approvals from relevant authorities being obtained where necessary, approval be and is hereby given for EGIB to undertake the Proposed Rights Issue as follows:

- To provisionally issue and allot by way of renounceable rights issue of up to 67,296,172 RCPS on the basis of 1 RCPS for every 4 existing EGIB Shares held at an indicative issue price of RM0.95 per RCPS to the entitled shareholders of the Company whose names appear in the Record of Depositors on the Entitlement Date;
- To issue and allot such number of new EGIB Shares arising from the conversion of the RCPS during the tenure of the RCPS; and
- To issue and allot such other additional warrants and the new EGIB Share(s) as maybe required or permitted to be issued as a result of any adjustment under the provision of the Deed Poll dated 29 September 2015 ("**Additional Warrants-C**") and the exercise of the Additional Warrants-C;

THAT the Directors be and are hereby authorised to allocate the excess RCPS in a fair and equitable manner on a basis to be determined by the Directors in their absolute discretion;

THAT the Directors be and are hereby authorised to fix the issue price and the conversion price of the RCPS after taking into consideration the following:

- the theoretical ex-all price of EGIB Shares based on the 5-day volume weighted average market price of EGIB Shares immediately preceding the price fixing date;
- the then prevailing market conditions and market price of EGIB Share; and
- the funding requirement of EGIB.

THAT the Directors be and are hereby entitled to deal with all or any of the fractional entitlement of the RCPS arising from the Proposed Rights Issue, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Directors may in their absolute discretion deems fit and in the best interest of the Company;

THAT the new EGIB Shares to be issued pursuant to the conversion of the RCPS and the exercise of the Additional Warrants-C, shall upon allotment and issue, rank equally in all respects with the existing EGIB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the new EGIB Shares (as the case may be);

THAT the proceeds from the Proposed Rights Issue will be utilised for such purposes as set out in Section 2.1.5 of the Circular to shareholders of the Company dated 24 May 2017 and the Directors be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

AND THAT the Directors be and are hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Rights Issue, and to take all such steps as they may deem necessary or expedient in the best interests of the Company to implement, finalise and give full effect to the Proposed Rights Issue."

ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 67,296,172 NEW EGIB SHARES TO BE CREDITED ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 RCPS SUBSCRIBED BY THE ENTITLED SHAREHOLDERS OF THE PROPOSED RIGHTS ISSUE AND/OR THEIR RENOUNCEE(S) ("PROPOSED BONUS ISSUE")

"THAT, subject to the approvals of all relevant authorities or parties (where required) being obtained, and subject to the passing of Ordinary Resolution 1 and Special Resolution 1, the Board of Directors of the Company ("Board") be and is hereby authorised to issue up to 67,296,172 Bonus Shares to the shareholders of the Company whose names appear on the record of depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of 1 Bonus Share for every 1 RCPS subscribed;

THAT fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, will be disregarded and shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT all the Bonus Shares shall upon issue and allotment, rank equally in all respects with the then existing EGIB Shares in issue, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution, the entitlement date of which is before the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and to take all steps and do all such acts and matters in the manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

SPECIAL RESOLUTION 1

PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY TO FACILITATE THE ISSUANCE OF RCPS ("PROPOSED AMENDMENT")

"THAT, subject to the passing of Ordinary Resolution 1, approval be and is hereby given to the Company to amend the Constitution of the Company, in the manner as set out in Appendix II of the Circular.

AND THAT the Directors of the Company 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 (including, without limitation, the affixing of the Company's common seal, where necessary) as the Directors may consider necessary, expedient or relevant to give effect to and complete the Proposed Amendment with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Amendment"

By Order of the Board

CHAI CHURN HWA (MAICSA 0811600)

Company Secretary

Penang

24 May 2017

Notes:

- In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 9 June 2017 shall be entitled to attend, speak and vote at the said meeting or appoint proxy/proxies to attend and vote/ or vote on his/ her behalf.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy, and in the case of a corporation, a duly authorised representative to attend and vote in his stead. A proxy may but need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or if such appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- A member who appoints two or more proxies shall specify the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 18.01, 18th Floor, MWE Plaza, No 8, Lebuhr Farquhar, 10200 Penang not less than 48 hours before the time fixed for holding this meeting or at any adjournment thereof.