

ELK-DESA®

ELK-DESA RESOURCES BERHAD

(Company No. 180164-X)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ELK-Desa Resources Berhad (“**ELK-Desa**” or the “**Company**”) will be held at Melia Hotel Kuala Lumpur, Alhambra Ballroom, Level M1, No. 16, Jalan Imbi, 55100 Kuala Lumpur on Thursday, 22 June 2017 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the following resolutions with or without modification:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 51,589,369 NEW ORDINARY SHARES (“RIGHTS SHARE(S)”) AT AN ISSUE PRICE OF RM1.16 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN ELK-DESA (“ELK-DESA SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE”)

“**THAT**, subject to the passing of the Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the directors of the Company (“**Directors**”) to provisionally allot and issue by way of renounceable rights issue of up to 51,589,369 new ordinary shares (“**Rights Share(s)**”) at the issue price of RM1.16 per Rights Share on the basis on one (1) Rights Share for every five (5) existing ordinary shares in ELK-Desa (“**ELK-Desa Share(s)**”) held on an entitlement date to be determined later, to disregard fractional entitlements under the Proposed Rights Issue and to deal with the aggregate of such fractions as the Directors of the Company may at their absolute discretion deem fit and expedient and in the best interests of the Company and to deal with the excess Rights Shares not subscribed by the entitled shareholders in the manner as detailed in Section 2.1.1 of the Circular to shareholders of ELK-Desa dated 5 June 2017 (“**Circular**”), **AND THAT** the Rights Shares so allocated and issued to the shareholders shall rank pari passu in all respects with the existing ELK-Desa Shares, except that the respective registered holders of the Rights Shares will not be entitled to any dividend, rights, allotments and/or distributions that may be declared, made or paid, the entitlement date of which is prior to the allotment and issuance of the Rights Shares;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION UNDER PARAGRAPH 4.08(1)(B) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS TO MR. TEOH HOCK CHAI @ TEW HOCK CHAI (“THC”) AND PERSONS ACTING IN CONCERT WITH HIM (“PACS”) FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL ELK-DESA SHARES NOT ALREADY HELD BY THC AND HIS PACS (“PROPOSED EXEMPTION”)

“**THAT** subject to the passing of Ordinary Resolution 1 and all approvals being obtained from the relevant authorities and compliance with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, approval be and is hereby given to Mr. Teoh Hock Chai @ Tew Hock Chai and the persons acting in concert with him (“**PACs**”) to be exempted from the obligation to undertake a mandatory take-over offer for the remaining ELK-Desa Shares not already held by them after the Proposed Rights Issue, that could arise following from the implementation of the Proposed Rights Issue;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things to execute, sign, and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Exemption with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company.”

BY ORDER OF THE BOARD

LOKE WENG FOOK (MIA 6573)

Company Secretary

Kuala Lumpur

5 June 2017

Notes:

- 1 In respect of deposited securities, only members whose names appear in the Record of Depositors as at 15 June 2017 (“*General Meeting Record of Depositors*”) shall be eligible to attend the meeting.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint another person as his/ her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A member may appoint more than one (1) proxy in relation to the meeting provided that the member specifies the proportions of his/her shareholdings to be represented by each proxy. Where a member has appointed more than one (1) proxy, the proxies shall only be entitled to vote on a poll. A proxy need not be a member of the Company. 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 such appointer is a corporation, under its common seal or the hand of its officer or attorney duly authorised.
- 3 Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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.
- 4 Where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 5 All proxy forms and the power of attorney or other authority, if any, under which any such proxy form is signed or a notarially certified copy of such power or authority should be deposited at the office of the Company’s Share Registrar 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, not less than twenty-four hours before the time appointed for the holding of the meeting, and in default the instrument of proxy shall not be treated as valid. (Last day of lodgement of proxy forms is on 21 June 2017 before 10.00 a.m.)