



SCGM BHD

(Company No. 779028 H)
(Incorporated in Malaysia)

NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting (“AGM”) of the Company will be held at the Creator Hotel, Ballroom, 3rd Floor, Kulai Centre Point, Lot. 1566, Batu 20, Jalan Kulai-Air Hitam, 81000, Kulai, Johor Darul Takzim on Thursday, 10 August 2017 at 2.00 p.m for the purpose of transacting the following businesses: -

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 April 2017 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees for the financial year ended 30 April 2017.
Ordinary Resolution 1
3. To re-elect the following Directors retiring pursuant to Article 85 of the Company’s Articles of Association and being eligible, have offered themselves for re-election: -
 - (i) Lee Hock Meng *Ordinary Resolution 2*
 - (ii) Tang Nai Soon *Ordinary Resolution 3*
4. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.
Ordinary Resolution 4

AS SPECIAL BUSINESS

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

5. RETENTION OF INDEPENDENT DIRECTORS

To retain the following Directors who have served as Independent Non-Executive Directors for a cumulative period of more than 9 years:-

- (i) Amrik Singh Harcharan Singh *Ordinary Resolution 5*
- (ii) Tang Nai Soon *Ordinary Resolution 6*
- (iii) Wong Tun Boon *Ordinary Resolution 7*

6. AUTHORITY TO ISSUE SHARES

Ordinary Resolution 8

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to 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 issued pursuant to this resolution does not exceed ten (10) per cent of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.”



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7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 9

“THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act 2016 (“Act”), provisions in the Company’s Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Renewal of Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (i) the aggregate number of shares purchased or held does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the unappropriated profit of the Company. As at the latest financial year ended 30 April 2017, the audited unappropriated profit of the Company stood at RM2,221,405;
- (iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-
 - (a) at the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manners:-

- (a) to cancel the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or
- (c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or



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(d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company."

8. To transact any other business which may properly be transacted at an AGM for which due Notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA 0799845)

M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA 0781031)

NG CHYE HUAT (MIA 14186)

Company Secretaries
Kuala Lumpur

19 July 2017

NOTES:-

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Tenth AGM, the Company shall be requesting the Record of Depositors as at 4 August 2017. Only a depositor whose name appears on the Record of Depositors as at 4 August 2017 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the meeting is entitled to appoint up to two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorized.
5. Where a member of the Company is an authorized nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy but not more than two proxies for each securities account which it holds and the shares of the Company standing to the credit of the said securities account.



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6. 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 authorized nominee may appoint in respect of each omnibus account it holds.
7. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business

Ordinary Resolution 5 to 7 - Retention of Independent Directors

The Board of Directors has vide the Nomination Committee conducted an assessment of independence of the following directors who have served as Independent Non-Executive Directors for a cumulative term of more than nine years and recommended them to continue to act as Independent Non-Executive Directors based on the following justification:

- i) Amrik Singh Harcharan Singh
- ii) Tang Nai Soon
- iii) Wong Tun Boon

Justifications:-

The Board holds the view that the Independent Directors remain objective and independent in carrying out his roles and responsibilities as members of the Board and Board Committees. The length of service does not impair their ability and exercise of independent judgment as Independent Directors. Therefore, the Board has recommended and supported that the approval of the shareholders be sought for them to continue to act as the Independent Non-Executive Director of the Company.

Ordinary Resolution 8 - Authority to issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016 at the Tenth AGM of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue and allot shares at any time to such persons/corporations in their absolute discretion for the purpose of funding future investment(s), working capital and/or acquisitions.



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During the financial year ended 30 April 2017, 13,200,000 ordinary shares were issued by way of private placement at an issue price of RM3.20 per share (“Private Placement”) pursuant to the mandate granted to the Directors at the Extraordinary General Meeting held on 7 October 2016. The total proceeds of RM42,240,000.00 raised from the Private Placement is mainly to part finance the cost of construction of new plant for the Group.

Ordinary Resolution 9 - Proposed Renewal of Share Buy-Back

The Company has at the Ninth AGM on 2 September 2016, seek for shareholders’ mandate but has never exercised the power to buy-back shares during the financial year. The mandate will be expired at the conclusion of the Tenth AGM.

The Board would like to seek for shareholders’ mandate at the Tenth AGM.

This resolution will empower the Directors of the Company to purchase the Company’s shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total unappropriated profits 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.

Further information on the Proposed Renewal of Share Buy-Back are set out in the Share Buy-Back Statement on pages 170 to 177 in the Annual Report 2017.