



NOTICE IS HEREBY GIVEN that the **FIFTY-SIXTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD** will be held at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Friday, 29 September 2017 at 9.00 am for the following purposes:

1. To receive the Financial Statements for the year ended 31 March 2017 and the Directors' and Auditors' Reports thereon. **(please refer to explanatory Note A)**
2. To approve the payment of a First and Final Single Tier Dividend of 5% (2016: 5%) for the year ended 31 March 2017. **(Resolution 1)**
3. To approve the payment of Directors' Fees amounting to RM320,458 (2016: RM272,000) for the year ended 31 March 2017. **(Resolution 2)**
4. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors of up to RM20,000 from 1 February 2017 until the next annual general meeting of the Company. **(Resolution 3)**
5. To re-elect the following directors who retire by rotation pursuant to Article 80 of the Company's Constitution:-
 - (a) Mr Eddy Chieng Ing Huong **(Resolution 4)**
 - (b) Mr Tee Keng Hoon **(Resolution 5)**
6. To re-appoint Tan Sri Mohd Ismail bin Che Rus as a Director of the Company. **(Resolution 6)**
7. To re-appoint Messrs BDO, as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

8. Authority to Allot Shares

To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"THAT, subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorized pursuant to Section 75 of the Companies Act, 2016 to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." **(Resolution 8)**

9. Proposed Retention of Independent Non-Executive Directors

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

"THAT Tan Sri Mohd Ismail bin Che Rus who has served the Board as the Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 10 September 2002 be and is hereby retained as the Senior Independent Non-Executive Director of the Company." **(Resolution 9)**

"THAT Mr. Tee Keng Hoon who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 30 April 2004 be and is hereby retained as the Independent Non-Executive Director of the Company." **(Resolution 10)**

10. To transact any other business which due notice shall have been received.

By Order of the Board

WON SEE YEE
SEOW FEI SAN
Secretaries

Kuala Lumpur
31 July 2017

NOTICE OF DIVIDEND PAYMENT

Subject to the approval of the shareholders at the Annual General Meeting, a First and Final Single Tier Dividend of 5% will be paid on 16 October 2017 to all shareholders whose names appear in the Record of Depositors and the Register of Members of the Company at the close of business on 5 October 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor's Securities Account on or before 4.00 pm on 5 October 2017 in respect of transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

Notes:

- (i) Only members whose names appear in the Record of Depositors as at 20 September 2017 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
- (ii) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.

- (iii) A member of the Company may appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- (iv) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) 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.
- (v) Where a member of the Company is an exempt authorised nominee which holds ordinary share in the Company for multiple beneficial owners in one (1) 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.
- (vi) 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 common seal or under the hand of an officer or attorney duly authorised.
- (vii) The instrument appointing a proxy and the power of attorney or other authority (if any), under which is signed or notarially certified copy thereof, must be deposited at the Share Registrars, 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 48 hours before the time appointed for holding the meeting or adjourned meeting.

Explanatory Notes to Special Business:

Note A – The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340 (1) of the Companies Act 2016 ("Act"), hence, the matter will not be put for voting.

Resolutions 2 & 3 – Pursuant to Section 230 (1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Fifty-Sixth Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Resolution No. 2 on payment of Directors' fees in respect of the financial year ended 31 March 2017.
- Resolution No. 3 on payment of Directors' benefits (excluding Directors' fees) from 1 February 2017 until the next AGM.

The current structure for Directors' benefits of the Company is basically the meeting allowances for Board/Board Committee meetings attended. The Directors' benefits from 1 February 2017 until the conclusion of the next AGM is estimated not to exceed RM20,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' Fees and benefits paid to the Non-Executive Directors are disclosed on pages 28 to 35 of the Statement on Corporate Governance in the Annual Report 2017.

Resolution 6 – At the Fifty-Fifth AGM of the Company held on 26 August 2016, Tan Sri Mohd Ismail bin Che Rus, who is above the age of 70 years was re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of this AGM. With the coming into force the Companies Act, 2016 on 31 January 2017, there is no age limit for directors. Tan Sri Mohd Ismail bin Che Rus offered himself for re-appointment.

The proposed Resolution 6, if passed, will enable Tan Sri Mohd Ismail bin Che Rus to continue to act as Director of the Company and he shall subject to retirement by rotation at a later date.

Resolution 8 – The proposed Ordinary Resolution 8, if passed, will give the Directors of the Company, from the date of the Fifty-Sixth AGM, authority to allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of printing of the Annual Report, no new shares were issued by the Company pursuant to the authority granted to the Directors at the Fifty-Fifth AGM held on 26 August 2016 and the said authority will lapse at the conclusion of the Fifty-Sixth AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, repayment of bank borrowing, if any, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolutions 9 & 10 – The proposed Resolutions 9 & 10 are proposed pursuant to the Recommendation of the Malaysian Code of Corporate Governance 2012 and is passed, will allow Tan Sri Mohd Ismail bin Che Rus and Mr Tee Keng Hoon to be retained and continue to act as Independent Non-Executive Director of the Company.

The full details of the Board justifications for the retention of Tan Sri Mohd Ismail bin Che Rus and Mr Tee Keng Hoon are set out on pages 28 to 35 of the Statement on Corporate Governance in the Annual Report 2017.