



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting (“AGM”) of Integrated Logistics Berhad (“ILB” or “Company”) will be held at Selangor 3, Grand Selangor Ballroom, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 17 April 2018 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1	To receive the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2017 and Auditors Report thereon.	Please refer to Explanatory Note 1
2	To approve the payment of Directors’ Fees to Non-Executive Directors amounting to RM376,750 for the period from 1 January 2017 to 31 December 2017.	(Resolution 1)
3	To approve the payment of Directors’ Benefits to Non-Executive Directors amounting to RM59,693 for the period from 1 January 2017 to 31 March 2018.	(Resolution 2)
4	To approve the payment of Directors’ Benefits (excluding Directors’ Fees) to the Non-Executive Directors up to an amount of RM48,000 for the period from 1 April 2018 until the next Annual General Meeting of the Company.	(Resolution 3)
5	To approve the payment of Directors’ Fees to the Non-Executive Directors up to an amount of RM526,250 for the period from 1 January 2018 until the next Annual General Meeting of the Company.	(Resolution 4)
6	To re-elect the following Directors retiring by rotation in accordance with Article 80 of the Company’s Constitution :- a) Datuk R. Karunakaran b) En Wan Azfar bin Dato’ Wan Annuar	(Resolution 5) (Resolution 6)
7	To re-elect Dato’ Wan Hashim bin Wan Jusoh as a Director in accordance with Article 87 of the Company’s Constitution.	(Resolution 7)
8	To re-appoint Messrs Baker Tilly Monteiro Heng as the Company’s Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	(Resolution 8)
9	To transact any other ordinary business of the Company for which due notice has been received.	

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following as Ordinary Resolutions:-		
ORDINARY RESOLUTIONS		
10	<p>RETENTION OF INDEPENDENT DIRECTOR OF THE COMPANY</p> <p>“THAT, approval be and is hereby given to Datuk R. Karunakaran who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code of Corporate Governance 2017.”</p>	(Resolution 9)
11	<p>PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY</p> <p>“THAT, subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company 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 interests of the Company (“the Proposed Share Buy-Back”) provided that :-</p> <p>i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten (10) per cent of the total issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders’ mandate for share buy-back which was obtained at the Annual General Meeting held on 25 April 2017, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities.</p> <p>ii) The maximum amount of funds to be allocated for the purchase of the shares pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company based on its latest audited accounts available up to the date of a transaction pursuant to the Proposed Share-Buy Back. As at 31 December 2017, the audited Retained Profits of the Company were RM8,929,900.</p> <p>iii) The Proposed Share Buy-Back to be undertaken will be in compliance with Section 127 of the Companies Act, 2016 and the Directors will deal with the shares purchased in the following manner:-</p> <p>(a) to cancel the Shares so purchased; or</p> <p>(b) to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or re-sell on Bursa Securities in accordance with the Main Market Listing Requirements of Bursa Securities and/or cancellation subsequently; or</p>	(Resolution 10)

	<p>(c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.</p> <p>AND THAT such authority to purchase the Company's own shares will be effective immediately from the passing of this resolution until the conclusion of the next Annual General Meeting ("AGM") at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally or the passing of the date on which the next AGM is required by law to be held or the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting but so as not to prejudice the completion of a purchase made before such expiry date;</p> <p>AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things in accordance with the Companies Act, 2016, the provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities."</p>	
12	<p>AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016</p> <p>"THAT subject to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered 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 issued pursuant to this Resolution in any one financial year does not exceed ten per cent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) for the time being.</p> <p>AND THAT such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."</p>	(Resolution 11)

By Order of the Board
Amarjit Singh A/L Banta Singh
Company Secretary
Selangor Darul Ehsan
Date: 20 March 2018

NOTES

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 April 2018 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 26th AGM of the Company.
2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. A proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.

3. If you wish to appoint as your proxy any person other than “the Chairman of the Meeting”, please insert the full name of the proxy (in block letters) in the space provided and delete the words “the Chairman of the Meeting”.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares 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.
5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
6. The instrument appointing a proxy must reach the Business Office of the Company at No.6, Jalan Sungai Buloh 27/101A, Seksyen 27, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia not less than 48 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

EXPLANTORY NOTES

1. Item 1 of the Agenda

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

This Agenda item is meant for discussion only as under the provisions of Section 248(2) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put to a vote.

2. Item 2, 3, 4 & 5 of the Agenda

Section 230(1) of the Companies Act 2016 provides amongst others, that “the fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board had agreed that the shareholders’ approval be sought at the 26th AGM on the Directors’ remuneration in four separate resolutions as below:

- **Resolution 1** on payment of Directors’ fees to the Non-Executive Directors for the period from 1 January 2017 to 31 December 2017;
- **Resolution 2** on payment of Directors’ Benefits to the Non-Executive Directors for the period from 1 January 2017 to 31 March 2018;
- **Resolution 3** on payment of Directors’ Benefits (excluding Directors’ fees) to the Non-Executive Directors for the period from 1 April 2018 until the next AGM of the Company; and
- **Resolution 4** on payment of Directors’ Fees to the Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company.

The details of the remuneration and benefits payable to the Non-Executive Directors which have remained unchanged since May 2013 are as follows:

Directors Fees (per annum)

Chairman of the Board	- RM108,000
Chairman of the Audit & Risk Management Committee	- RM 90,000
Board Member	- RM 60,000

Meeting Allowance (per meeting)

Board	- RM 500
Board Committee	- RM 500

Benefits in kind

Medical and insurance coverage

3. Item (10) of the Agenda

RETENTION OF INDEPENDENT DIRECTOR OF THE COMPANY

The Nomination & Remuneration Committee has assessed the independence of Datuk R. Karunakaran, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and the Board, upon the Nomination & Remuneration Committee's recommendation, had recommended for shareholders' approval for him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- (a) He fulfills the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus he would be able to function as a check & balance and bring with him an element of objectivity to the Board;
- (b) He provides the Board with a diverse set of skills, experience and expertise;
- (c) He has performed his duties diligently in the best interests of the Company and provides a broader view, independent and balanced assessment of proposals from the Board and Management; and
- (d) He does not hold any shares in the Company and does not have any business dealings with the Company, save and except as a Chairman and a member of the Board of Directors of the Company.

4. Item (11) of the Agenda

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed ordinary resolution 10, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten (10) per cent of the issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

For further information, please refer to the Share Buy-Back Statement dated 20 March 2018, which is dispatched together with the Annual Report 2017.

5. Item (12) of the Agenda

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed ordinary resolution 11 is to seek the shareholders' approval on the renewal of the general mandate for the issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016. If the resolution is duly passed, it will give flexibility to the Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interests of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any proposal involves the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares. In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being. The renewed authority will provide flexibility to the Company for the allotment of shares for the purposes of funding future investment, working capital and/or acquisitions.