



聯合機械集團有限公司

Unimech Group Berhad (407580-x)

Add ▪ Wisma Unimech, 4934, Jalan Chain Ferry, 12100 Butterworth, Penang, Malaysia.

Tel ▪ 604-332 8823 (10 lines) **Fax** ▪ 604-332 5491, 324 7712

Web ▪ www.unimechgroup.com

To All Shareholders,

ERRATA TO THE ANNUAL REPORT 2017 OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Reference is made to the Annual Report of Unimech Group Berhad which was submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) and despatched to the Shareholders of the Company on 30 April 2018.

We wish to inform that the following amendment as highlighted in BOLD, shall by this Errata be amended, corrected and taken as read as shown herein instead of as printed in the Annual Report 2017:

Note B for the Notice of Twenty-First Annual General Meeting on Page 4 of the Annual Report 2017

- B. Kindly note that the date of the General Meeting Record of Depositors for the purpose of determining members’ entitlement or appoint proxy(ies) to attend, vote and speak at the Twenty-First Annual General Meeting shall be on **22 May 2018**.

Any inconvenience caused is regretted.

Your faithfully,
For and on behalf of the Board

ANGELINA CHEAH GAIK SUAN (MAICSA 7035272)

LEE MEI MEI (MAICSA 7062284)

Secretaries

Dated this 18 May 2018

UNIMECH GROUP BERHAD

(Company No. 407580-X)

(Incorporated in Malaysia)

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting (“AGM”) of the Company will be held at Merbah Room, Hotel Equatorial Penang, No. 1, Jalan Bukit Jambul, 11900 Penang on Thursday, 31 May 2018 at 11.00 a.m. for the following purposes:-

A G E N D A

- | | | |
|---|--|----------------------------|
| 1 | To receive the Audited Financial Statements for the year ended 31 December 2017 together with the reports of the Directors and Auditors thereon. | (Please refer to Note A) |
| 2 | To declare a First and Final Single Tier Dividend of 3 sen per share for the year ended 31 December 2017. | Resolution 1 |
| 3 | To re-elect the following Directors retiring under the respective provisions of the Constitution of the Company, and who, being eligible, offer themselves for re-election:- | |
| | (i) Mr. Lim Kim Guan | Article 97(1) Resolution 2 |
| | (ii) Mr. Lim Jun Lin | Article 97(1) Resolution 3 |
| | (iii) Dato’ Abdul Rafique Bin Abdul Karim | Article 97(1) Resolution 4 |
| | (iv) Professor Dato’ Dr. See Ching Mey | Article 104 Resolution 5 |
| 4 | To appoint Messrs. UHY as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Board of Directors to determine their remuneration. | Resolution 6 |

SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS

- 5.1 *Payment of Directors’ Fees and benefits for the financial year ended 31 December 2017*
To approve the Directors’ Fees and benefits of RM237,200 for the financial year ended 31 December 2017 and payment of such fees and benefits to the Directors of the Company. Resolution 7
- 5.2 *Payment of Directors’ Fees and benefits for the financial year ending 31 December 2018*
To approve the Directors’ Fees and benefits of up to RM262,000 for the financial year ending 31 December 2018 and payment of such fees and benefits to the Directors of the Company. Resolution 8

5.3 *Authority to Issue Shares*

“THAT pursuant to section 76 of the Companies Act 2016 (“the Act”) and approvals from the Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities.”

Resolution 9

5.4 *Renewal of Authority to Purchase its own Shares*

“THAT subject to the Act, provisions of the Constitution of the Company and the requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

Resolution 10

- 5.4.1 The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- 5.4.2 The maximum fund to be allocated by the Company for the purpose of purchasing the Company’s shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2017, the audited retained profits of the Company stood at RM18,293,374;
- 5.4.3 The authority conferred by this resolution will be effective immediately upon the passing of this resolution; and shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company, 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 the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- 5.4.4 Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
 - a) to cancel the shares so purchased; or
 - b) to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
 - c) to retain part of the shares so purchased as treasury shares and cancel the remainder.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of the Company's shares in accordance with the Act, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

5.5 *Continuing in Office as Independent Non-Executive Director*

"THAT subject to the passing of Resolution 4 above, approval and authority be and is hereby given to Dato' Abdul Rafique Bin Abdul Karim, 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. Resolution 11

- 6 To transact any other business of which due notice shall have been given in accordance with the Act.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the First and Final Single Tier Dividend of 3 sen per share for the financial year ended 31 December 2017, if approved, will be paid on 12 July 2018 to depositors registered in the Records of Depositors on 28 June 2018.

A Depositor shall qualify for entitlement to the Dividend in respect of: -

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 28 June 2018 in respect of transfers;
- b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board,

ANGELINA CHEAH GAIK SUAN (MAICSA 7035272)

LEE MEI MEI (MAICSA 7062284)

Secretaries

Penang

Date: 30 April 2018

NOTES:

- A. This Agenda item is meant for discussion only as the provision of section 244(2) of the Companies Act 2016 do not require a formal approval of the shareholders and hence, is not put forward for voting.
- B. Kindly note that the date of the General Meeting Record of Depositors for the purpose of determining members' entitlement or appoint proxy(ies) to attend, vote and speak at the Twenty-First Annual General Meeting shall be on 22 May 2018.

Proxy:

- (i) *A member entitled to attend and vote at a meeting of the Company is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
- (ii) *To be valid, the proxy form duly completed must be deposited at the registered office of the Company at Suite S-21-H, 21st Floor, Menara Northam, 55, Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty-eight (48) hours before the time fixed for holding the meeting.*
- (iii) *A member is entitled to appoint up to two (2) proxies to attend and vote at the same meeting.*
- (iv) *Where a member appoints up to two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
- (v) *Where a Member of the Company is an authorised nominee as defined in 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.*
- (vi) *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 authorised nominee may appoint in respect of each omnibus account it holds.*
- (vii) *If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*

EXPLANATORY NOTE ON SPECIAL BUSINESS:

1. **Resolution 7**

The proposed resolution is in accordance with Article 71 of the Company’s Constitution and if passed, will authorise the payment of Directors’ Fees and benefits to the Directors of the Company for their services as Directors for the year ended 31 December 2017.

2. **Resolution 8**

The proposed resolution, if passed, has been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognize that the Directors’ Fees’ and benefits payable is in the best interest of the Company. The benefits comprised solely of meeting allowance. In determining the estimated total amount of Directors’ fees and benefits for year ending 31 December 2018 includes a contingency sum to cater to unforeseen circumstances such as the appointment of an additional Director(s).

3. **Resolution 9**

The proposed resolution, if passed, will renew the authority to empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders’ approval. This authority will, unless

revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

As at the date of this notice, no new shares in the Company have been issued pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting held on 24 May 2017 which will lapse at the conclusion of the Twenty-First Annual General Meeting.

4. **Resolution 10**

The proposed resolution, if passed, will empower the Directors of the Company to purchase the Company's own shares up to ten per centum (10%) of the total issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Further information on the proposed resolution is set out in the Share Buy-Back Statement in pages 6 to 14 of this Annual Report 2017.

5. **Resolution 11**

The Board and its Nominating Committee had conducted an annual performance evaluation and assessment on the independence of Dato' Abdul Rafique Bin Abdul Karim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and had recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications: -

He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has strong independent viewpoints and objective judgement when deliberating decision besides seeking clarifications and challenging Management on the Group's business and other matters in the Board and Board Committee meetings. He also has a good understanding of the Group's various core business operations during his tenure of office and this has facilitated him to discharge his duties as an Independent Director effectively.

Last but not least, during his tenure as an Independent Non-Executive Director of the Company, he had carried out his professional duties in the interest of the Company and shareholders.