



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting (24th AGM) of CNI Holdings Berhad (the Company) will be held at Diamond Hall, First Floor, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 20 June 2013 at 11.00 a.m., for the purpose of transacting the following business:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon. (Please refer Note 1)

2. To re-elect the following Directors who retire by rotation in accordance with Article 91 of the Company's Articles of Association and who being eligible offer themselves for re-election:

| | |
|---------------------------|------------------------------|
| i) Dato' Koh Peng Chor | Ordinary Resolution 1 |
| ii) Law Yang Ket | Ordinary Resolution 2 |
| iii) Dr. Ch'ng Huck Khoon | Ordinary Resolution 3 |

3. To approve the payment of Directors' fees amounting to RM364,000 for the financial year ended 31 December 2012. **Ordinary Resolution 4**

4. To approve the increase in Directors' fees up to RM432,000 for the financial year ending 31 December 2013 and for each financial year thereafter. **Ordinary Resolution 5**

5. To re-appoint Messrs. Baker Tilly AC (Formerly known as Moore Stephens AC) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS:

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

6. AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965
 "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Ordinary Resolution 7**

7. PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specific in Section 2.1.2 (a) & (b) of the Circular to Shareholders dated 27 May 2013 subject to the following:-

- i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholders' mandate." **Ordinary Resolution 8**

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association 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 purchase such number of ordinary shares of RM0.10 each 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:-

- i) the aggregate number of shares which may be purchased shall 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;
- ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Earnings and the Share Premium Account (if any), of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 31 December 2012, the audited Retained Earnings of the Company was RM31,301,585; and
- iii) the shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - a) the shares so purchased may be cancelled; and/or
 - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date.

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/or 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 thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities." **Ordinary Resolution 9**

BY ORDER OF THE BOARD

CHIN YOKE KWAI (MAICSA 7032000)

Company Secretary

Shah Alam
27 May 2013

Notes:

1. This Agenda Item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.
2. A member entitled to attend and vote at the 24th AGM is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member of the Company 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 which is credited with ordinary shares of the Company.
5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or the hand of the attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
7. For the purpose of determining a member who shall be entitled to attend this 24th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 49(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 13 June 2013. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxy to attend and vote on his/her stead.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 7, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the Company's issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This mandate is a renewal of the last mandate granted to the Directors at the 23rd AGM held on 21 June 2012 and which will lapse at the conclusion of the 24th AGM.
As at the date of this notice, no new shares in the Company were issued pursuant to the last mandate.
The renewal of this mandate will provide flexibility to the Company for any possible fund raising exercises, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.
2. Ordinary Resolution 8, if passed, will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations.
3. Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the issued and paid-up share capital of the Company.
Further information on the Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions and Proposed Renewal of Share Buy-Back Authority is included in the Circular/Statement to Shareholders dated 27 May 2013, which is despatched together with the Company's Abridged Annual Report 2012.