



PUNCAK NIAGA HOLDINGS BERHAD

(Company No. 416087-U)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of Puncak Niaga Holdings Berhad (416087-U) will be held at Concorde I, Concorde Hotel Shah Alam, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 26 June 2013 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESSES

- To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.
- To declare a final single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2012 as recommended by the Directors of the Company.
- To re-elect the following Directors of the Company who retire by rotation pursuant to Article 98 of the Company's Articles of Association:-
 - YBhg Dato' Ruslan Bin Hassan
 - YBhg Dato' Syed Danial Bin Syed Ariffin
 - YAM Tengku Dato' Rahimah Binti Almarhum Sultan Mahmud
- To consider and, if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

Ordinary Resolution 1

Re-appointment Pursuant To Section 129 Of The Companies Act, 1965

"THAT YBhg Tan Sri Dato' Seri Dr Ting Chew Peh, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting of the Company."

- To consider and, if thought fit, to pass the following resolution of which the Notice of Nomination of Auditors pursuant to Section 172(11) of the Companies Act, 1965 is set out in Appendix A of this Notice of Meeting:-

"THAT Messrs KPMG having given their consent in writing to act, be and are hereby appointed as Auditors of the Company for the financial year ending 31 December 2013 in place of Messrs Ernst & Young who had indicated their intention not to seek for re-election at the forthcoming Sixteenth Annual General Meeting of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company AND THAT authority be and is hereby given for the Directors of the Company to fix their remuneration."

AS SPECIAL BUSINESSES

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

- Ordinary Resolution 2**
Allotment Of Shares Pursuant To Section 132D Of The Companies Act, 1965

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being AND THAT the Directors of the Company be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

- Ordinary Resolution 3**
Continuing In Office As Independent Non-Executive Director
"THAT authority be and is hereby given to YBhg Tan Sri Dato' Seri Dr Ting Chew Peh 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 and to hold office until the conclusion of the next Annual General Meeting of the Company."

- Ordinary Resolution 4**
Continuing In Office As Independent Non-Executive Director
"THAT authority be and is hereby given to YBhg Tan Sri Dato' Hari Narayanan A/L Govindasamy 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 and to hold office until the conclusion of the next Annual General Meeting of the Company."

- To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders of the Company at the Sixteenth Annual General Meeting of the Company of a final single tier dividend of 5 sen per ordinary share for the financial year ended 31 December 2012 under Resolution 2, the dividends will be paid on 6 August 2013 to the Depositors whose names appear in the Record of Depositors of the Company on 15 July 2013.

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

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 July 2013 in respect of transfers;
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAN BEE LIAN (MAICSA 7006285)

LIM YEW HEANG (MAICSA 7007653)

Secretaries

Shah Alam
4 June 2013

Notes:-

- In respect of deposited securities, only Members whose names appear in the Record of Depositors on 18 June 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this Sixteenth Annual General Meeting.
- A Member entitled to attend and vote at the Meeting is entitled to appoint another person to attend and vote in his stead.
- A proxy need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
- A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that,

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

Resolution 8

Resolution 9

Resolution 10

(a) where a Member is an authorised nominee as defined in the Central Depositories Act, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(b) where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account namely, Omnibus Securities Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Securities Account it holds with ordinary shares of the Company standing to the credit of the said Omnibus Securities Account.

Where a Member appoints two (2) or more proxies (as the case maybe), the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.

6. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Article 82 of the Company's Articles of Association.

7. The instrument appointing the proxy must be deposited at the Office of the Company's Share Registrar, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

8. At any general meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded by either:-

- the Chairman (being a person entitled to vote); or
- not less than two Members present in person or by proxy and entitled to vote; or
- a Member or Members present in person or by proxy and representing not less than one-twentieth of the total voting rights of all the Members having the right to vote at the Meeting; or
- a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than one-twentieth of the total sum paid up on all the shares conferring that right.

9. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn), a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

10. No poll shall be demanded on the election of a Chairman or on a question of adjournment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need to be given of a poll not taken immediately.

11. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

12. **Explanatory Notes And Statement Of Effect For Ordinary Businesses and Special Businesses:-**

Ordinary Businesses

Resolution 6: Ordinary Resolution 1 - Re-appointment Pursuant To Section 129 of the Companies Act, 1965

The Nomination Committee and the Board of Directors of the Company had assessed the independence of YBhg Tan Sri Dato' Seri Dr Ting Chew Peh as an Independent Director of the Company. With YBhg Tan Sri Dato' Seri Dr Ting Chew Peh's consent, the Nomination Committee and the Board of Directors of the Company had recommended for YBhg Tan Sri Dato' Seri Dr Ting Chew Peh who will attain the age of 70 years to be re-appointed as Director of the Company pursuant to Section 129 of the Companies Act, 1965 based on the following reasons:-

(i) YBhg Tan Sri Dato' Seri Dr Ting Chew Peh has served the Company as an Independent Director for almost thirteen (13) years. YBhg Tan Sri Dato' Seri Dr Ting Chew Peh had, during his tenure as Independent Director of the Company, Senior Independent Director of the Company, Chairman of Audit Committee of the Company and Chairman of Compliance, Internal Control and Risk Policy ("CICR") Committee of the Company, acted in the best interests of the Company, exercising his independent judgement during deliberations and decision-making during the Audit Committee Meetings, Board of Directors Meetings and CICR Meetings.

(ii) YBhg Tan Sri Dato' Seri Dr Ting Chew Peh has proven to be a reliable Independent Director/Chairman of Audit Committee/Chairman of CICR with his professionalism, aptitude and outlook of business perspective.

Resolution 7: Appointment Of Messrs KPMG as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young

Our auditors, Messrs Ernst & Young had indicated that they do not wish to seek for re-election at the Sixteenth Annual General Meeting of the Company. The Company received a Notice of Nomination of Auditors pursuant to Section 172(11) of the Companies Act, 1965 for the nomination of Messrs KPMG as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young. A copy of the Notice of Nomination of Auditors dated 22 May 2013 is annexed as "Appendix A" to the Notice of this Sixteenth Annual General Meeting."

Special Businesses

Resolution 8: Ordinary Resolution 2 - Allotment Of Shares Pursuant To Section 132D Of The Companies Act, 1965

The Ordinary Resolution proposed under Agenda 6 of the Notice of this Sixteenth Annual General Meeting dated 4 June 2013 is for the purpose of seeking a renewal of the general mandate to empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, from the date of the above Meeting, to issue and allot ordinary shares from the unissued share capital of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the next Annual General Meeting of the Company.

This authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to placement of shares, funding future investment(s) and/or working capital. As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Section 132D of the Companies Act, 1965 as granted at the Fifteenth Annual General Meeting of the Company held on 26 June 2012.

Resolutions 9 & 10: Ordinary Resolutions 3 & 4 - Continuing In Office As Independent Non-Executive Directors

The Nomination Committee of the Company and the Board of Directors of the Company had assessed the independence of YBhg Tan Sri Dato' Seri Dr Ting Chew Peh and YBhg Tan Sri Dato' Hari Narayanan A/L Govindasamy, who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and with their consents, had recommended for both of them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- they fulfilled the criteria of the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and had expressed their willingness to continue in office as Independent Non-Executive Directors of the Company;
- their vast experiences would enable them to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;
- they have served the Company as Independent Directors for a cumulative term of more than nine (9) years during which they had acted in the best interests of the Company, exercising their independent judgement during deliberations and decision making during the Company's meetings and were familiar with the Company's business operations and the water industry market; and
- both YBhg Tan Sri Dato' Seri Dr Ting Chew Peh and YBhg Tan Sri Dato' Hari Narayanan A/L Govindasamy had proven to be reliable Independent Directors with their professionalism aptitude and outlook of business perspective, devoted sufficient time and attention to their professional obligations for informed and balance decision making and had also exercised due care during their tenure in the best interests of the Company and the shareholders.