



SERN KOU RESOURCES BERHAD
(519103-X)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of SERN KOU RESOURCES BERHAD ("Company" or "SKRB") will be held at Level 9, Classic Hotel, No. 69, Jalan Ali, 84000 Muar, Johor Darul Takzim on Thursday, 28 November 2013 at 11.00 a.m. for the following purposes:-

- To lay the audited financial statements for the financial year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**
- To re-elect the following Directors who are retiring in accordance with Article 128 of the Articles of Association of the Company:
 - Datuk Dr. Haris Bin Hj Salleh; and **(Ordinary Resolution 1)**
 - Tay Puay Chuan **(Ordinary Resolution 2)**
- To approve the payment of Directors' fees amounting to RM281,000.00 for the financial year ended 30 June 2013. **(Ordinary Resolution 3)**
- To re-appoint Messrs BDO (AF 0206) as Auditors for the ensuing year and to authorize the Directors to fix their remuneration. **(Ordinary Resolution 4)**

Special Business

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

5. Ordinary Resolution

- Authority to Issue Shares

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue not more than ten percent (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." **(Ordinary Resolution 5)**

6. Ordinary Resolution

- Continuing In Office As Independent Non-Executive Directors

- "THAT subject to the passing of Ordinary Resolution 1, authority be and is hereby given to Datuk Dr Haris Bin Hj Salleh who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company." **(Ordinary Resolution 6)**
- "THAT subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Tay Puay Chuan who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company." **(Ordinary Resolution 7)**
- "THAT authority be and is hereby given to Dr Tan Chee Huat who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company." **(Ordinary Resolution 8)**

7. Ordinary Resolution

- Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965

"That pursuant to Section 129 of the Companies Act, 1965, Tan Sri Abdul Rahim Bin Mohd Noor be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Ordinary Resolution 9)**

- To transact any other business for which due notice has been given.

By Order of the Board

PANG CHIA TYNG (MAICSA 7034545)

LIM LEE KUAN (MAICSA 7017753)

Chartered Secretaries

Kuala Lumpur

6 November 2013

Notes:

Note A: This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

- A proxy may but need not be a member of the Company. A member shall be entitled to appoint a person, whether a member or not, as his proxy to attend and vote at a meeting of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. There shall be no restriction as to the qualification of the proxy.
- A member may appoint only one (1) proxy to attend on the same occasion. However, 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 accounts ("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. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
- Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint only 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.
- 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 the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot PTD 6019 (Lot 8804), Jalan Perindustrian 1, Kawasan Perindustrian Bukit Bakri, Mukim Bakri, 84200 Muar, Johor Darul Takzim not less than forty eight (48) hours before the time appointed for holding the meeting or any adjourned meeting as the case may be.
- The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 21 November 2013.

Explanatory Notes to Special Business:

(i) Ordinary Resolution 5 Authority to Issue Shares

The proposed Ordinary Resolution 5, if passed, will empower the Directors from the date of this Annual General Meeting, to allot and issue up to a maximum of 10% of the issued share capital of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The renewal of the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for the purpose of future investment projects(s), working capital and/or acquisition.

No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 19 December 2012.

(ii) Ordinary Resolutions 6 to 8 Continuing In Office As Independent Non-Executive Directors

The Nomination Committee and the Board of Directors have assessed the independence of Datuk Dr Haris Bin Hj Salleh, Tay Puay Chuan and Dr Tan Chee Huat, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, and recommended them to continue act as an Independent Non-Executive Director of the Company based on the following justifications:-

- they fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide check and balance and bring an element of objectivity to the Board;
- they are familiar with the Company's business operations and are able to advise the Board diligently;
- they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making by actively participated in board discussion and provided an independent voice to the Board; and
- they have exercised their due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional duties in the best interest of the Company and shareholders.

(iii) Ordinary Resolution 9

- Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965

The proposed Ordinary Resolution 9, if passed, will allow the director who is over the age 70 years to be re-appointed as director of public company pursuant to Section 129 of the Companies Act, 1965.

A vote by the majority of not less than three-fourths of members who are entitled to vote and voting in person or by proxy is required to pass this resolution.