

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Tenth Annual General Meeting of GUAN CHONG BERHAD ("GCB" or "the Company") will be held at Sri Ledang, 1st Hall, 2nd Floor, Mutiara Hotel, Jalan Dato Sulaiman, Taman Century, KB No. 779, 80990 Johor Bahru, Johor on Wednesday, 25 June 2014 at 11.00 a.m. for the following purposes:

### AGENDA

#### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Directors' and Auditors' Reports thereon. (Please refer to Note A). **Ordinary Resolution 1**
2. To approve the payment of Directors' fees for the financial year ended 31 December 2013. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association: **Ordinary Resolution 3**
  - i) YBhg Dato' Dr. Mohamad Musa bin Md. Jamil **Ordinary Resolution 4**
  - ii) Tay Hoe Lian **Ordinary Resolution 5**
4. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration. **Ordinary Resolution 6**

#### As Special Business

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

5. **Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** **Ordinary Resolution 5**

"THAT subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of Bursa Malaysia Securities Berhad and other relevant governmental or regulatory bodies, where such approvals are necessary, the Directors be and are hereby empowered, pursuant to Section 132D of the Act, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. **Proposed renewal of existing shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT")** **Ordinary Resolution 6**

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), approval be and is hereby given for the renewal of the shareholders' mandate for the GCB Group to enter into and to give effect to specified RRPT and with the related parties as stated in Section 4.3.1 of the Circular to Shareholders dated 3 June 2014, which are necessary for its day-to-day operations, to be entered into by the GCB Group on the basis that these transactions are entered into on terms which are not more favorable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate");"

"THAT pursuant to paragraph 10.09 of Listing Requirements of Bursa Securities, approval be and is hereby given for the new shareholders' mandate for the GCB Group to enter into and to give effect to additional RRPT and with specified class of the related parties as stated in Section 4.3.2 of the Circular to Shareholders dated 3 June 2014, which are necessary for its day-to-day operations, to be entered into by the GCB Group on the basis that these transactions are entered into on terms which are not more favorable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed New Shareholders' Mandate");"

"THAT the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate are subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate have been passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

### Notes:

(A) This Agenda item is meant for the 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.

1. Only depositors whose names appear in the Record of Depositors as at 18 June 2014 shall be regarded as members and be entitled to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on a show of hands or on a poll in his stead. These shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. 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.
4. To be valid, the proxy form duly completed must be deposited at the registered office of the Company situated at No. 7 (1st Floor) Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri 84000 Muar, Johor not less than forty-eight (48) hours before the time for holding the meeting provided that in the event the member(s) duly executes the proxy form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
5. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

#### (B) Explanatory Note Under Special Business:

7. **Ordinary Resolution no. 5**  
**Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965**

- (a) The proposed Ordinary Resolution no.5, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting ("AGM") to allot and issue shares in the Company up to an amount not exceeding ten percent (10%) of the issued capital of the Company for the time being for such purposes as they may deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.
- (b) The mandate now sought is a renewal from the previous mandate obtained at the last AGM held on 26 June 2013 which will expire at the conclusion of the forthcoming AGM.
- (c) The Company did not issue any new shares based on the previous mandate obtained at the last Annual General Meeting.
- (d) The authority 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 project(s), working capital and/or acquisitions.

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate."

7. **Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued and paid-up capital** **Ordinary Resolution 7**

"THAT, subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be and is hereby given full authority, to seek shareholders' approval for the renewal of authority for the Company to purchase and/or such amount of ordinary shares of RM0.25 each in the Company ("Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- (i) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued and paid-up capital of the Company; and
- (ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits and/or share premium of the Company;

"THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 67A of the Act) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or to resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT such approval and authorisation shall only continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed 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
  - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

8. **Proposed retention of Independent Director** **Ordinary Resolution 8**

"THAT approval 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 nine (9) years, to continue to act as Senior Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

9. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board,

**PANG KAH MAN** (MIA 18831)  
Secretary

Muar, Johor  
3 June 2014

8. **Ordinary Resolution no. 6**  
**Proposed renewal of the existing shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT") ("Proposed Shareholders' Mandate")**

The proposed Ordinary Resolution no. 6, if passed, will approve RRPT which are necessary for the Group's day-to-day operations that to be entered into by the Company and its subsidiaries with the respective related parties from the forthcoming Annual General Meeting ("AGM") to the next AGM; subject to the transactions are entered into on terms which are not more favorable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company. Further details on the Proposed Shareholders' Mandate are provided in the Circular to Shareholders dated 3 June 2014.

9. **Ordinary Resolution no. 7**  
**Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued and paid-up capital ("Proposed Shares Buy-Back Authority")**

The proposed Ordinary Resolution no. 8, if passed, will empower the Directors to purchase shares in the Company up to an amount not exceeding ten percent (10%) of the issued and paid-up share capital of the Company as they consider would be in the interest of the Company. Further details on the Proposed Share Buy-Back Authority are provided in the Statement to Shareholders dated 3 June 2014.

10. **Ordinary Resolution no. 8**  
**Proposed Retention of Independent Director**

The Board has assessed the independence of the Director, Tay Puay Chuan who has served as Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, and recommended him to continue to act as Senior Independent Non-Executive Director of the Company based on the following justifications:-

- i) He fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and thus, he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.
- ii) During his tenure in office, he has not developed, established or maintained any significant relationship which would impair his independence as an Independent Director with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out his duties as Senior Independent Non-Executive Director and Chairman or member of the Board's Committees;
- iii) During his tenure in office, he has never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Listing Requirements;
- iv) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiaries;
- v) During his tenure in office as Senior Independent Non-Executive Directors in the Company, he has not been offered or granted any options by the Company. Other than Director's fees and allowances paid which has been an industry norm and within acceptable market rates, duly disclosed in the Annual Reports, no other incentives or benefits of whatsoever nature had been paid to him by the Company;
- vi) His vast experience and legal background enabled him to provide the Board with a diverse set of experience, expertise and independent judgment; and
- vii) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the management.