



# COASTAL CONTRACTS BHD

(Company No. 517649-A)  
(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fourteenth Annual General Meeting of the Company will be held at the Registered Office, Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah on 26 June 2014 at 11:00 am to transact the following business:

### AGENDA

#### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Notes (a)**
2. To approve the payment of Directors' fees for the financial year ended 31 December 2013. **Resolution 1**
3. To re-elect the following Directors:
  - 3.1 Mr Loh Thian Sang @ Lo Thian Siang retiring pursuant to Article No. 91 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 2**
  - 3.2 Mr Zainal Bin Rajan retiring pursuant to Article No. 91 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 3**
  - 3.3 Mr Jacob O Pang Su Yin retiring pursuant to Article No. 96 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 4**
4. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 5**

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution:

##### ORDINARY RESOLUTION

###### Authority to issue shares under Section 132D of the Companies Act, 1965

**Resolution 6**

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals from the relevant statutory and regulatory authorities, where such approvals are necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time at such price 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 pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. To consider and if thought fit, to pass the following Resolution:

##### ORDINARY RESOLUTION

###### Proposed renewal of authority for the Company to purchase its own shares of up to 10% of its issued and paid-up share capital

**Resolution 7**

"THAT subject to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all other applicable laws, rules, regulations, and orders and the approvals of all relevant regulatory authorities, the Company is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.20 each ("Shares") in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company and that an amount of the funds not exceeding the retained earnings of the Company, be utilised for Share buy-back;

AND THAT such Shares purchased may be retained as treasury shares and/or distributed as dividends and/or resold on the market of Bursa Securities and/or be cancelled, as the Directors may deem fit and expedient in the interest of the Company;

AND THAT such authority hereby given shall take effect immediately and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 143(1) of the 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 a resolution passed by the Shareholders in a general meeting, whichever is the earlier;

AND FURTHER THAT the Directors be hereby authorised to do all such acts and things as may be required by the relevant authorities (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation."

7. To consider and if thought fit, to pass the following Resolution:

##### ORDINARY RESOLUTION

###### Proposed retention of Independent Non-Executive Director

**Resolution 8**

"THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given for Mr Loh Thian Sang @ Lo Thian Siang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to be retained and to continue to act as an Independent Non-Executive Director of the Company until the next Annual General Meeting."

8. To transact any other business of the Company of which due notice has been given to the Company.

#### GENERAL MEETING RECORD OF DEPOSITORS

**NOTICE IS ALSO HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend the Fourteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article No. 49 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 June 2014. Only a depositor whose name appears on the Record of Depositors as at 20 June 2014 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

By Order of the Board

**Dorothy Luk Wei Kam**  
Company Secretary

Kota Kinabalu, Sabah  
Dated: 4 June 2014

#### Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint:
  - (i) at least one (1) proxy but not more than two (2) proxies to attend and vote instead of him; or
  - (ii) multiple proxies 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").
 A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company and there shall be no restriction as to the qualification of the proxy.
- (b) Where a member appoints two (2) proxies to attend and vote at the same meeting, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- (c) The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, he may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

#### Explanatory Notes

##### (a) Audited Financial Statements for financial year ended 31 December 2013

Agenda 1 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 for the Audited Financial Statements. Hence, it will not be put forward for voting.

##### (b) Ordinary Resolution - Authority to issue shares under Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution No. 6, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting. This general mandate is a renewal of the mandate that was approved by the shareholders on 27 June 2013. The renewal of the general mandate is to facilitate the Company to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The Company had utilised the mandate obtained last year to issue 48,306,933 new shares to third party investors pursuant to the private placement on 24 March 2014. The proceeds from the issuance of placement shares were used for working capital purposes and settlement of the expenses in relation to the Private Placement Exercise.

##### (c) Ordinary Resolution - Proposed renewal of authority for the Company to purchase its own shares of up to 10% of its issued and paid-up share capital

The proposed Ordinary Resolution No. 7, if passed, shall empower the Directors of the Company to buy back and/or to hold the shares of the Company not exceeding 10% of its issued and paid-up share capital from time to time being quoted on Bursa Malaysia Securities Berhad as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company. Shareholders are directed to refer to the Circular to Shareholders dated 4 June 2014 for more information.

##### (d) Ordinary Resolution - Proposed retention of Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance 2012, the Board of Directors has via the Nomination Committee assessed the Independence of Mr Loh Thian Sang @ Lo Thian Siang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (i) He fulfils the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) He has extensive experience and knowledge in the marine industry which are relevant to the Group's activities;
- (iii) He has demonstrated his capability as an independent director and provided numerous constructive suggestions to the Board; and
- (iv) His level of independence and competency has not been impaired with time.

Subject to the passing of the proposed Resolution No. 2, the proposed Ordinary Resolution No. 8, if passed, will enable Mr Loh Thian Sang @ Lo Thian Siang to continue in office as Independent Non-Executive Director until the next Annual General Meeting.

