



GRAND-FLO BERHAD

(607392-W)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of GRAND-FLO BERHAD ("Grand-Flo" or "the Company") will be held at The Greens 3, Ground Floor, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 25 May 2015 at 12.00 p.m. to transact the following business:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon.
- To declare a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2014.
- To approve the payment of Directors' fees for the financial year ended 31 December 2014.
- To re-elect the following Directors who retire by rotation pursuant to Article 104 of the Company's Articles of Association :
 - Ms. Yap Li Li
 - Mr. Cheong Kee YoongDato' Loo Yoong Haw or Vanchai Virochpokha who retires in accordance with Article 104 of the Company's Articles of Association, has expressed his intention not to seek for re-election. Hence, he will retire as Director at the conclusion of the Twelfth Annual General Meeting.
- To re-appoint Messrs. SJ Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

As Special Business :

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

- ORDINARY RESOLUTION 1
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

"THAT approval be and is hereby given to Mr. Yu Chee Sing who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012."
- ORDINARY RESOLUTION 2
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

"THAT approval be and is hereby given to Mr. Yek Deiw See, whose term of service as an Independent Non-Executive Director of the Company will exceed a cumulative term of nine (9) years on 29 December 2015, to continue to act as an Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012."
- ORDINARY RESOLUTION 3
RE-APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Adzmi Bin Abdul Wahab, who is over the age of seventy (70) years, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
- ORDINARY RESOLUTION 4
GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares 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 also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
- ORDINARY RESOLUTION 5
PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID UP SHARE CAPITAL ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of any other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.10 each in the Company's issued and paid up share capital ("Grand-Flo Shares") 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 Grand-Flo Shares bought-back and/or held as treasury shares does not exceed ten percent (10%) of the total issued and paid up share capital of the Company subject to a restriction that the issued and paid up share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements;
 - the maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained earnings and the share premium accounts of the Company; and
 - the Grand-Flo Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manner:
 - cancel the purchased Grand-Flo Shares;
 - retain the purchased Grand-Flo Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
 - retain part of the purchased Grand-Flo Shares as treasury shares and cancel the remainder,

AND THAT such authority shall commence immediately upon the passing of this resolution until:

 - the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company, whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Grand-Flo Shares before the aforesaid expiry date and made

Please refer to Note a

(Resolution 1)

(Resolution 2)

(Resolution 3)

(Resolution 4)

(Resolution 5)

(Resolution 6)

(Resolution 7)

(Resolution 8)

(Resolution 9)

(Resolution 10)

in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

AND FURTHER THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Grand-Flo Shares."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final tax exempt dividend of 1.0 sen per share for the financial year ended 31 December 2014, if approved by the shareholders at the Annual General Meeting of the Company, will be paid on 22 June 2015 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 June 2015.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 June 2015 in respect of ordinary transfers; and
- Shares bought on the Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By order of the Board

**TEA SOR HUA (MACS 01324)
YONG YEN LING (MAICSA 7044771)**
Company Secretaries

Date: 30 April 2015
Petaling Jaya, Selangor Darul Ehsan

Notes:

- The 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 shareholders and hence, is not put forward for voting.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- 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 with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an officer or attorney so authorised.
- To be valid, the instrument appointing a proxy must be deposited at the registered office of the Company situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 65(3) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 18 May 2015. Only members whose names appear in the General Meeting Record of Depositors as at 18 May 2015 shall be regarded as members and entitled to attend, speak and vote at the Twelfth Annual General Meeting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Item 6 of the Agenda

The Nomination Committee of the Company has assessed the independence of Mr. Yu Chee Sing, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company. The justifications are stated in the Statement on Corporate Governance on page 22 of the 2014 Annual Report.

2. Item 7 of the Agenda

The Nomination Committee of the Company has assessed the independence of Mr. Yek Deiw See, whose term of service as an Independent Director will exceed a cumulative term of nine (9) years on 29 December 2015, and has recommended him to continue to act as an Independent Non-Executive Director of the Company. The justifications are stated in the Statement on Corporate Governance on page 23 of the 2014 Annual Report.

3. Item 8 of the Agenda

The Resolution proposed under item 8 of the Agenda is to seek shareholders' approval pursuant to Section 129(6) of the Companies Act, 1965 for the re-appointment of Tan Sri Datuk Adzmi Bin Abdul Wahab, a Director who is over the age of seventy (70) years and vacated office pursuant to Section 129(2) of the Companies Act, 1965. If passed, it will enable Tan Sri Datuk Adzmi Bin Abdul Wahab to hold office until the conclusion of the next Annual General Meeting of the Company.

Tan Sri Datuk Adzmi Bin Abdul Wahab has, during his tenure as the Independent Non-Executive Chairman of the Board, provided a strong leadership and was responsible for ensuring the adequacy and effectiveness of the Board's governance process.

4. Item 9 of the Agenda

The Ordinary Resolution proposed under item 9 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The Ordinary Resolution, if passed, will provide flexibility to the Directors of the Company to issue and allot shares for any possible fund raising activities, including but not limited to placing of shares and for such other purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

The authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Eleventh Annual General Meeting held on 24 June 2014 which will lapse at the conclusion of the Twelfth Annual General Meeting.

5. Item 10 of the Agenda

The Ordinary Resolution proposed under item 10 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued and paid up share capital at any point of time, by utilizing the amount allocated which shall not exceed the total retained profits and/or share premium account of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

Please refer to the Share Buy-Back Statement to Shareholders dated 30 April 2015 for further details.