

TH HEAVY ENGINEERING BERHAD
(Company No. 634775-D)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the ELEVENTH ANNUAL GENERAL MEETING of the Company will be held at Ballroom 1, First Floor, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 May 2015 at 10:30 a.m. or at any adjournment thereof for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors' and the Auditors' thereon.
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2014. (Resolution 1)
3. To re-elect Dato' Dr. Md. Yusop bin Omar who is retiring pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election. (Resolution 2)
4. To re-elect Dr. Samad bin Solbai who is retiring pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election. (Resolution 3)
5. To re-elect Datuk Nor Badli Munawir bin Mohamad Alias Lafti who is retiring pursuant to Article 95 of the Company's Articles of Association, and being eligible, has offered himself for re-election. (Resolution 4)
6. To appoint Messrs. Deloitte as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed and marked as Annexure "A" in the 2014 Annual Report had been received by the Company for the nomination of Messrs. Deloitte for appointment as Auditors of the Company and of the intention to propose the following Ordinary Resolution:-

"THAT Messrs. Deloitte, having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. KPMG, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

7. **As Special Business** (Resolution 6)

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolution:-

ORDINARY RESOLUTION

- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and 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 does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

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

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN LEY THENG (MAICSA 7030358)

Company Secretaries

Kuala Lumpur

Dated: 6 May 2015

Explanatory Note to Special Business:

Resolution 6

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the Eleventh Annual General Meeting ("AGM") of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Tenth AGM of the Company held on 11 June 2014 (hereinafter referred to as the "Previous Mandate").

As at the date of this notice, the Company had placed out 62,796,345 new ordinary shares to investors which raised a total proceeds of RM45,537,076 pursuant to the Previous Mandate. The Company had utilised RM17,918,353 for working capital purposes, to execute some of its projects secured, one of which is the Provision of Engineering, Procurement, Construction, Installation and Commissioning of its Floating Production Storage and Offloading facilities; as well as to meet its additional working capital requirements mainly comprising payment of trade and non-trade creditors, overheads and other operating expenses.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The General Mandate 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.

Notes:

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2015 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- (2) A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting subject always to a maximum of two (2) proxies at each meeting, a proxy may but need not be a member of the Company and the provision of sections 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.
- (3) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he or she specifies the proportion of his or her holdings to be represented by each proxy.
- (4) A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (5) 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.
- (6) 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 its seal or under the hand of an officer or attorney duly authorised.
- (7) The instrument appointing a proxy must be deposited at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.