

**TH HEAVY ENGINEERING BERHAD**

(Company No. 634775-D)

(Incorporated in Malaysia under the Companies Act, 1965)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting ("EGM") of TH Heavy Engineering Berhad ("THHE" or "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 12.00 p.m., or at any adjournment thereof, or immediately after the conclusion or adjournment of the 11th Annual General Meeting of THHE which will be held at the same venue on the same day at 10.30 a.m., for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

**ORDINARY RESOLUTION 1**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,200,000,000 NEW ISLAMIC IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM0.25 EACH IN THHE ("ICPS-I") AT AN ISSUE PRICE OF RM0.25 FOR EACH ICPS-I TO THE SHAREHOLDERS OF THHE AT AN ENTITLEMENT DATE TO BE DETERMINED LATER TO RAISE GROSS PROCEEDS OF UP TO RM300,000,000 ("PROPOSED RIGHTS ISSUE OF ICPS-I")**

**THAT**, subject to the passing of Ordinary Resolution 2 and the Special Resolution, the Board of Directors of THHE ("Board") be and is hereby authorised to provisionally allot and issue by way of a renounceable rights issue, such number of ICPS-I to raise gross proceeds of up to RM300.0 million at an issue price of RM0.25 for each ICPS-I to the shareholders of the Company whose names appear in the Record of Depositors of the Company at 5.00 p.m. on an entitlement date and an entitlement basis to be determined and announced later by the Board upon the indicative terms and conditions set out in the Circular to Shareholders of the Company dated 6 May 2015 ("Circular");

**THAT** any fractional entitlements of ICPS-I under the Proposed Rights Issue of ICPS-I will be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

**THAT** any ICPS-I which are not taken up or not validly taken up shall be made available for excess applications by the other entitled shareholders and/or their renouncee(s) who have applied for the excess ICPS-I and the Board be and is hereby authorised to allocate the excess ICPS-I in a fair and equitable manner, and on such basis that the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

**THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Rights Issue of ICPS-I as set out in Section 3 of the Circular and the Board be authorised to revise the utilisation of proceeds from the Proposed Rights Issue of ICPS-I in such manner as the Board shall in its absolute discretion deem fit and in the best interest of the Company;

**THAT** the Board be and is hereby authorised to allot and issue such number of new ordinary shares of RM0.25 each in THHE ("THHE Shares") pursuant to the conversion of the ICPS-I, from time to time during the tenure of the ICPS-I, and such new THHE Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing THHE Shares at that time, except that the holder of the new THHE Shares shall not be entitled to participate in any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new THHE Shares arising from the conversion of the ICPS-I;

**THAT** the Board be and is hereby authorised to allot and issue such further number of new THHE Shares as may be required or permitted to be allotted and issued as a consequence of the adjustments in accordance with the terms of the ICPS-I as disclosed in the Circular;

**AND THAT** the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of ICPS-I with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of ICPS-I."

**ORDINARY RESOLUTION 2**

**PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THHE FROM RM855,000,000 COMPRISING 3,200,000,000 THHE SHARES AND 220,000,000 EXISTING IRREDEEMABLE CONVERTIBLE NON-CUMULATIVE PREFERENCE SHARES OF RM0.25 EACH IN THHE ("EXISTING ICPS") TO RM1,100,000,000 COMPRISING 3,200,000,000 THHE SHARES AND 1,200,000,000 ICPS-I ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")**

**THAT**, subject to the passing of Ordinary Resolution 1 and the Special Resolution, approval be and is hereby given to THHE to increase its authorised share capital from RM855,000,000 comprising 3,200,000,000 THHE Shares and 220,000,000 Existing ICPS to RM1,100,000,000 comprising 3,200,000,000 THHE Shares and 1,200,000,000 ICPS-I;

**AND THAT** the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital."

**SPECIAL RESOLUTION**

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THHE ("M&A") ("PROPOSED AMENDMENTS")**

**THAT**, subject to the passing of the Ordinary Resolution 1 and Ordinary Resolution 2, the proposed amendments to the M&A as set out in Appendix II of the Circular be and is hereby approved and adopted;

**AND THAT** the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Amendments with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendments."

**BY ORDER OF THE BOARD**

**CHUA SIEW CHUAN (MAICSA 0777689)**

**TAN LEY THENG (MAICSA 7030358)**

Company Secretaries

Kuala Lumpur

Date: 6 May 2015

**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 (1) 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.