



LII HEN INDUSTRIES BHD.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty First (21st) Annual General Meeting of Lii Hen Industries Bhd. will be held at Classic 1, Ballroom, Classic Hotel, 69, Jalan Ali, 84000 Muar, Johor Darul Takzim on Wednesday, 24 June, 2015 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. *(Ordinary Resolution 1)*
2. To sanction the declaration of a final single tier dividend of 4.0% per share for the financial year ended 31 December 2014. *(Ordinary Resolution 2)*
3. To re-elect Directors retiring by rotation pursuant to Article 83 of the Company's Articles of Association:
 - (a) Mr. Chua Yong Haup *(Ordinary Resolution 3)*
 - (b) Mr. Tey Ping Cheng *(Ordinary Resolution 4)*
 - (c) Mr. Onn Yee Han *(Ordinary Resolution 5)*
4. To re-appoint Messrs. John Lim & Associates as auditors of the Company and to authorise 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 Ordinary Resolutions:

5. Proposed Retention of Independent Non-Executive Directors

(a) "THAT subject to the passing of Ordinary Resolution No.4, Mr. Tey Ping Cheng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, be continued to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." *(Ordinary Resolution 7)*

(b) "THAT subject to the passing of Ordinary Resolution No.5, Mr. Onn Yee Han who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, be continued to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." *(Ordinary Resolution 8)*

6. Authority to Issue Shares

"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 issue shares in the Company from time to time upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year 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 the 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 9)*

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature pursuant to paragraph 10.09 of the Bursa Securities Main Market Listing Requirements**

"THAT, subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Bursa Malaysia Main Market Listing Requirements, approval be and is hereby given for the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 28 May 2015, which are necessary for the day-to-day operations of the Company and/or its subsidiaries in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the related parties, than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution at the next Annual General Meeting, or at the expiration of the period within which the next Annual General Meeting of the Company is required to be held under the Section 143(1) of the Act (excluding any extension of such period as may be allowed under Section 143(2) of the Act), or revoked or varied by resolution passed by the shareholders in a general meeting; whichever is earlier;

AND THAT disclosure be made in the Annual Report of the Company of the aggregate value of such transactions conducted pursuant to the shareholders' mandate granted herein during the financial year; and

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions completed and/or authorised by this Resolution."

(Ordinary Resolution10)

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

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 4.0% in respect of the financial year ended 31 December 2014, if approved by members at the Twenty First (21st) Annual General Meeting on 24 June 2015, will be paid on 27 July 2015 to Depositors registered in the Records of Depositors at the close of business on 10 July 2015.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 July 2015 in respect of ordinary transfer; and
- (b) 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

Tan Wang Giap (MACS 00523)
Company Secretary

Muar, Johor Darul Takzim

28 May 2015

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 June 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 21st AGM or appoint proxies to attend, speak and vote on their behalf.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
5. The instrument appointing a proxy in the case of any individual shall be signed by the appointor or his attorney duly authorised in writing and in the case of a corporation under its common seal or under the hand of an officer or attorney duly authorised.
6. To be valid the proxy form must be duly completed and deposited at the Registered Office of the Company, No. 67, 3rd Floor, Jalan Ali, 84000 Muar, Johor Darul Takzim, not less than forty eight (48) hours before the time for holding the meeting.

Explanatory Notes on Special Business

7. *Resolution 7 and 8*
The purpose of the Resolution 7 and 8, if passed, will allow Mr. Tey Ping Cheng and Mr. Onn Yee Han who have served as Independent Non-Executive Directors ("INED") of the Company for a cumulative term of more than nine (9) years, to be retained and continue acting as independent directors. In line with the Malaysian Code on Corporate Governance 2012 and the Bursa Malaysia Main Market Listing Requirements, the Board is of the opinion that they have remained independent. In fact, they remain objective and independent in expressing their view with pertinent expertise, skills and competence through their experience in relevant industries and are actively participating in deliberations and decision making process of the Board and Board Committees. In addition, they have devoted sufficient time and attention to the duties and responsibilities as INED of the Company. To that, the Board recommends Mr. Tey Ping Cheng and Mr. Onn Yee Han to continue their office as Independent Non-Executive Directors once they are re-elected according to their respective resolution put forth in this Meeting.
8. *Resolution 9*
The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purpose as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. This is the renewal of the mandate obtained from the members on the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised. The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.
9. *Resolution 10*
The proposed ordinary resolution under item 7, if passed, will authorise the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the subsidiaries of the Company, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.
10. Further information is set out in the Circular to Shareholders dated 28 May 2015 which is dispatched together with the Annual Report 2014.

Statement Accompanying Notice of annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Bursa Securities Main Market Listing Requirements)

There is no person seeking for election as Director of the Company at the Twenty First (21st) Annual General Meeting.