



EG INDUSTRIES BERHAD

(Company No. 222897-W)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of EG Industries Berhad ("EGIB" or the "Company") will be held at EG Industries Berhad, Plot 102, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah on Thursday, 23 July 2015 at 11:30 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF EGIB'S ISSUED AND PAID-UP SHARE CAPITAL VIA THE CANCELLATION OF RM0.50 FROM THE PAR VALUE OF EACH ORDINARY SHARE OF RM1.00 IN EGIB ("EXISTING SHARE") PURSUANT TO THE SECTION 64 OF THE COMPANIES ACT, 1965 ("PROPOSED PAR VALUE REDUCTION")

"THAT subject to the confirmation of the High Court of Malaysia ("Court") pursuant to Section 64 of the Companies Act, 1965 and the passing of Special Resolution 2 below, approval be and is hereby given to the Company to reduce its issued and paid-up share capital via the cancellation of RM0.50 from the par value of each Existing Share;

AND THAT the credit arising from the Proposed Par Value Reduction will be credited to the reserves of the Company to be capitalised and/or set-off against accumulated losses of the Company in future (if any) and utilised in such manner as the Board deem fit and as permitted by the relevant and applicable laws;

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to finalise, implement and give effect to the Proposed Par Value Reduction with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/parties and/or the Court."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT, subject to the passing of Special Resolution 1, the Memorandum and Articles of Association of the Company be amended in the manner set out in Section 2.5 of the Circular to Shareholders dated 23 June 2015;

AND THAT the Directors of the Company be and are hereby authorised to give effect to the aforesaid amendments to the Memorandum and Articles of Association of the Company."

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 9,168,700 NEW ORDINARY SHARES OF RM0.50 EACH IN EGIB ("EGIB SHARES") ("PLACEMENT SHARES") UPON COMPLETION OF THE PROPOSED PAR VALUE REDUCTION TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED ("PROPOSED PRIVATE PLACEMENT")

"THAT, subject to the passing of Special Resolutions 1 and 2, approval be and is hereby given for the Company to increase the issued and paid-up ordinary share capital of the Company by way of private placement of up to 9,168,700 Placement Shares to independent third party investor(s) to be identified at a later date at an issue price of RM0.75 per Placement Share;

THAT, such Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing EGIB Shares, except that the Placement Shares shall not be entitled to any dividend, right, allotment and/or other distributions, the entitlement date (namely the date as at the close of business on which the shareholders must be registered in order to be entitled to any dividend, right, allotment and/or other distributions) of which is prior to the date of allotment of the Placement Shares;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's common seal, where necessary) as the Directors may consider necessary, expedient or relevant to give effect to and complete the Proposed Private Placement with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Private Placement."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 129,427,950 NEW EGIB SHARES ("RIGHTS SHARES") TOGETHER WITH UP TO 64,713,975 NEW FREE DETACHABLE WARRANTS ("WARRANTS") AFTER THE PROPOSED PAR VALUE REDUCTION ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING EGIB SHARES HELD AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT subject to the passing of Special Resolutions 1 and 2, and the approvals from relevant authorities being obtained where necessary, approval be and is hereby given for EGIB to undertake the Proposed Rights Issue with Warrants as follows:

- To provisionally issue and allot by way of renounceable rights issue of up to 129,427,950 Rights Shares together with up to 64,713,975 Warrants on the basis of three (3) Rights Shares for every two (2) existing EGIB Shares held and one (1) Warrant for every two (2) Rights Shares subscribed at an issue price of RM0.50 per Rights Share to the entitled shareholders of the Company whose name appear in the Record of Depositors on the Entitlement Date;
- To issue the Warrants based on the principal terms of which are set out in Section 2.3.6 of the Circular to Shareholders dated 23 June 2015 and upon the terms and conditions of a deed poll to be executed by DEEB ("Deed Poll");
- To issue and allot such number of new EGIB Shares arising from the exercise of the Warrants during the tenure of the Warrants; and
- To allot and issue such other additional Warrants as maybe required or permitted to be issued as a result of any adjustment under the provision of the Deed Poll;

THAT the Directors be and are hereby authorised to allocate the excess Rights Shares and Warrants in a fair and equitable manner on a basis to be determined by the Directors in their absolute discretion;

THAT the Directors be and are hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Directors may in their absolute discretion deem fit and in the best interest of the Company;

THAT the Rights Shares and the new EGIB Shares to be issued pursuant to the exercise of the Warrants, shall upon allotment and issue, rank *pari passu* in all respects with the then existing EGIB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the Rights Shares and the new EGIB Shares to be issued pursuant to the exercise of the Warrants (as the case may be);

THAT the proceeds from the Proposed Rights Issue with Warrants will be utilised for such purposes as set out in Section 2.6 of the Circular to Shareholders dated 23 June 2015 and the Directors be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

AND THAT the Directors be and are hereby authorised to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit and expedient in order to implement, finalise and give effect to the aforesaid Deed Poll that the Common of the Company be affixed to the Deed Poll in accordance with the Articles of Association of the Company;

AND FURTHER THAT the Directors be and are hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/parties to give effect to the Proposed Rights Issue with Warrants, and to take all such steps as they may deem necessary or expedient in the best interests of the Company to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF A SHARE GRANT PLAN OF UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF EGIB FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF EGIB AND ITS SUBSIDIARIES ("PROPOSED ESGS")

"THAT subject to the passing of Special Resolutions 1 and 2 and the approval of all relevant authorities, approval be and is hereby given to EGIB to undertake the Proposed ESGS:

- establish, implement and administer a share grant plan to be known as "EG Industries Berhad Share Grant Plan" ("Proposed ESGS" or "Scheme") for the benefit of the eligible employees and Executive Directors of EGIB and its subsidiaries (excluding subsidiaries which are dormant) ("EGIB Group") ("Eligible Person(s)") who fulfill the conditions of eligibility for participation in the Proposed ESGS in accordance with the provisions of the proposed By-Laws of the Proposed ESGS ("By-Laws"), a draft of which is set out in Appendix II of the Circular to shareholders dated 23 June 2015 and to give full effect to the Proposed ESGS;

- do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESGS and terms of the By-Laws, including but not limited to:

- making awards and satisfying awards made under the Proposed ESGS via any one or any combination of the following methods:
 - the issuance of new EGIB Shares;
 - the delivery of existing EGIB Shares; or
 - combination of (i) and (ii) stated above.
- allotting and issuing such number of new EGIB Shares ("ESGS EGIB Shares") from time to time as may be required pursuant to the award and vesting exercise of ESGS EGIB Shares under the Proposed ESGS provided that the total number of ESGS EGIB Shares:
 - to be allotted and issued; and
 - acquired from the market,

for the purposes of the Proposed ESGS, shall not exceed 15% in aggregate of the total issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time or any other limit prescribed by the relevant authorities and that such new EGIB Shares will upon allotment and issue (if applicable), rank *pari passu* in all respects with the existing issued EGIB Shares save and except that the new ESGS EGIB Shares shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date (namely the date as at the close of business on which shareholders of the Company must be entered in the Record of Depositors maintained with Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment of the new Shares or in the case of existing Shares, the date of the Shares have been credited to the relevant CDS Accounts of the Eligible Persons maintained by Bursa Depository and will be subjected to all provisions of the Articles of Association of the Company relating to the transfer, transmission and otherwise;

- making the necessary applications to Bursa Securities for the listing of and quotation for the new EGIB Shares arising from the vesting of the ESGS EGIB Shares which may from time to time be allotted and issued pursuant to the Proposed ESGS;
- modifying and/or amending the Proposed ESGS and/or By-Laws from time to time as may be required/ permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to modifications and/or amendments;

AND THAT the Board be and is hereby authorised to give effect to the Proposed ESGS with full power to consent to and to adopt such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws as it may deem fit and/or as may be required by the relevant regulatory authorities."

ORDINARY RESOLUTION 4

PROPOSED ESGS AWARD TO TERENCE TEA YEOK KIAN

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Terence Tea Yeok Kian, being the Executive Chairman of EGIB such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, provided that the allocation to him does not exceed 10% of the total number of ESGS EGIB Shares to be issued under the Proposed ESGS, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

ORDINARY RESOLUTION 5

PROPOSED ESGS AWARD TO KANG PANG KIANG

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Kang Pang Kiang, being the Group Chief Executive Officer of EGIB such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

ORDINARY RESOLUTION 6

PROPOSED ESGS AWARD TO TAI YEONG SHENG

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Tai Yeong Sheng, being the Non-Independent Non-Executive Director of EGIB such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

ORDINARY RESOLUTION 7

PROPOSED ESGS AWARD TO ANG SENG WONG

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Ang Seng Wong, being the Senior Independent Non-Executive Director of EGIB, such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

ORDINARY RESOLUTION 8

PROPOSED ESGS AWARD TO DR. DAMIEN LIM YAT SENG

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Dr. Damien Lim Yat Seng, being the Independent Non-Executive Director of EGIB such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

ORDINARY RESOLUTION 9

PROPOSED ESGS AWARD TO LIM SZE YAN

"THAT, subject to passing of the Ordinary Resolution 3 above and the approvals of the relevant authorities for the Proposed ESGS, the Board be and are hereby authorised, at any time and from time to time for the duration of the Proposed ESGS, to grant, allot and issue and/or deliver to Lim Sze Yan, being the Independent Non-Executive Director of EGIB such number of ESGS EGIB Shares thereof comprised in the Proposed ESGS awarded from time to time, subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESGS as set out in Appendix II of the Company's circular to shareholders dated 23 June 2015.

BY ORDER OF THE BOARD

CHAI CHURN HWA (MAICSA 0811600)

Company Secretary

Penang

23 June 2015

Notes:

- In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 10 July 2015 shall be entitled to attend, speak and vote at the said meeting or appoint proxy/proxies to attend and vote/ or vote on his/ her behalf.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy, and in the case of a corporation, a duly authorised representative to attend and vote in his stead. A proxy may but need not be a member of the Company.

The instrument appointing a proxy shall be in writing under the hand of the appointor or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

A member who appoints two or more proxies shall specify the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 18.01, 18th Floor, MWE Plaza, No 8, Lebuhr Farquhar, 10200 Penang not less than forty-eight (48) hours before the time fixed for holding this meeting or at any adjournment thereof.