

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting of Magni-Tech Industries Berhad ("Magni" or the "Company") will be held at Berjaya 1, 7th Floor, Georgetown City Hotel, 1-Stop Midlands Park Centre, Jalan Burma, 10350 Penang on Friday, 23 October 2015 at 10.30 a.m. for the following purposes:-

A G E N D A

As Ordinary Business:

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| 1. To receive the Audited Financial Statements for the financial year ended 30 April 2015 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 7 |
| 2. To re-elect Mr. Tan Poay Seng, a director who retires by rotation in accordance with Article 94(1) of the Company's Articles of Association and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. To re-elect Mr. Tan Thiam Chai, a director who retires by rotation in accordance with Article 94(1) of the Company's Articles of Association and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. To re-elect Mr. Tan Poh Heng, a director who retires in accordance with Article 101 of the Company's Articles of Association and who, being eligible, offers himself for re-election. | Resolution 3 |
| 5. To approve the payment of a single tier final dividend of 3 Sen per share and a single tier special dividend of 7 Sen per share for the financial year ended 30 April 2015. | Resolution 4 |
| 6. To approve the payment of Directors' fees for the financial year ended 30 April 2015. | Resolution 5 |
| 7. To re-appoint Messrs. Grant Thornton as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

As Special Business:

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

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| 8. PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | Resolution 7 |
| <p>THAT, subject always to provisions of the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued.</p> | |
| 9. PROPOSED BONUS ISSUE OF UP TO 54,243,950 NEW ORDINARY SHARES OF RM1.00 EACH IN MAGNI ("BONUS SHARE(S)") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM1.00 EACH IN MAGNI ("MAGNI SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE") | Resolution 8 |
| <p>THAT, subject to the approvals of all relevant authorities or parties, including but not limited to the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for up to 54,243,950 Bonus Shares to be issued by the Company pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, approval be and is hereby given to the Board of Directors of Company ("Board") to capitalise an amount of up to RM54,243,950 from the share premium and retained earnings accounts of the Company, and to apply the same for the purposes of issuing at par value up to 54,243,950 Bonus Shares to be credited as fully paid-up to all shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on a date to be determined and announced later by the Board, on which the entitled shareholders are entitled to the Proposed Bonus Issue ("Entitlement Date"), on the basis of one (1) Bonus Share for every two (2) existing Magni Shares held on the Entitlement Date;</p> <p>THAT, the Board be and is hereby authorised to deal with any fractional entitlements that may arise from the Proposed Bonus Issue, in such manner as the Board shall in its absolute discretion deems fit and expedient, in the best interest of the Company;</p> <p>THAT, the Bonus Shares shall upon allotment and issuance, rank <i>pari passu</i> in all respects with the existing Magni Shares, save and except that the Bonus Shares issued shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the allotment of the Bonus Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions;</p> <p>AND THAT, the Board be and is hereby empowered and authorised to give full effect to and implement the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments in respect thereof as may be required or permitted by the relevant authorities or as it may deem fit, necessary and/or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue and to sign, execute and deliver on behalf of the Company all such documents as may be required or imposed by the relevant authorities and to take such steps and do all acts and things in any manner as the Board may deem fit, necessary and/or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue.</p> | |
| 10. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE | Resolution 9 |
| <p>THAT, subject always to the provisions of the Companies Act, 1965 ("the Act"), the Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad and/or any other regulatory authorities, approval be and is hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business which are necessary for the day-to-day operations of the Company and its subsidiaries as specified in Part B, Section 2.1 of the Company's Circular to Shareholders dated 30 September 2015 ("Circular") on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that authority conferred by this resolution shall take effect immediately upon the passing of this resolution and the shareholders' mandate shall continue to be in force until:</p> <p>(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;</p> <p>(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act), or</p> <p>(c) revoked or varied by resolution passed by the shareholders at a general meeting, whichever is the earlier;</p> <p>THAT, authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.</p> <p>AND THAT, the estimates given on the recurrent related party transactions specified in Part B, Section 2.1 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in Part B, Section 2.4 of the Circular.</p> | |
| 11. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965. | |

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 18th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 October 2015. Only a depositor whose name appears on the Record of Depositors as at 15 October 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board,
LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
 Company Secretaries
 Penang
 Date: 30 September 2015

NOTES ON APPOINTMENT OF PROXY

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- For a proxy to be valid, the proxy form duly completed, must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member 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.
- If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

EXPLANATORY NOTE ON ORDINARY BUSINESS

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 of the Company and hence, Agenda 1 is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- The proposed Resolution 7, is to seek a renewal of the general mandate for the Directors of the Company to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.
 As at the date of notice of meeting, no new shares have been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.
 The general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.
- The proposed Resolution 8, is to increase the Company's share capital base to better reflect the size of the Group's operations, to enhance the marketability and trading liquidity of Magni Shares on the Main Market of Bursa Malaysia Securities Berhad as well as to reward the existing shareholders for their loyalty and continuing support. Further information on the Proposed Bonus Issue is set out in the Circular to Shareholders dated 30 September 2015, dispatched together with the Company's Annual Report for the financial year ended 30 April 2015.
- The proposed Resolution 9, is to enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. Further information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 30 September 2015, dispatched together with the Company's Annual Report for the financial year ended 30 April 2015.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT, a depositor shall qualify for entitlement only in respect of:

- Shares transferred into the depositor's securities account before 4.00 p.m. on 9 November 2015 in respect of ordinary transfers;
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The dividend, if approved will be paid on 20 November 2015 to depositors who are registered in the Record of Depositors of the Company on 9 November 2015.

By Order of the Board,
LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
 Company Secretaries
 Penang
 Date: 30 September 2015