

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the members of the Company will be held at the Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 19 May 2016, at 10.30 a.m. for the purpose of transacting the following businesses:-

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| <p>1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.</p> | <p>Please refer
Notes No. 7(a)</p> |
| <p>2. To approve the payment of a first and final single tier dividend of 5% in respect of the year ended 31 December 2015.</p> | <p>Resolution 1</p> |
| <p>3. To approve the payment of Directors' fees of RM380,480/- (2014 RM380,480/-) in respect of the year ended 31 December 2015.</p> | <p>Resolution 2</p> |
| <p>4. To re-elect the following Directors who retire pursuant to the Company's Articles of Association and, being eligible, offer themselves for re-election :-
Mr. Choong Kai Soon Article 100
Mr. Choong Kay Cheong Article 100</p> | <p>Resolution 3
Resolution 4</p> |
| <p>5. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.</p> | <p>Resolution 5</p> |
| <p>6. As Special Business:-
To consider and, if thought fit, to pass the following Ordinary Resolutions:-</p> <p>(a) Ordinary Resolution 1
Authority to issue shares pursuant to Section 132D of the Companies Act, 1965</p> <p>"THAT subject always to the Companies Act 1965, Articles of Association of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 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, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that 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."the retiring Auditors, Messrs. KPMG, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."</p> <p>(b) Ordinary Resolution 2
Proposed Renewal of Authority For Share Buy-Back</p> <p>THAT, subject to compliance with the Companies Act 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total available retained profits of the Company for the purpose of and to purchase such amount of ordinary shares of RM0.50 each in the Company ("Proposed Purchase") as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the point of purchase;</p> <p>AND THAT upon completion of the purchase by the Company of its own shares ("DeGem Shares"), the Directors are authorised to retain the DeGem Shares as treasury shares or cancel the DeGem Shares or retain part of the DeGem Shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends to the Company's shareholders or subsequently cancel the treasury shares or any combination of the three;</p> <p>AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:</p> <p>(i) the conclusion of the next Annual General Meeting of the Company following the General Meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or</p> <p>(ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or</p> <p>(iii) revoked or varied by ordinary resolution passed by the shareholders in General Meeting,</p> <p>whichever is the earliest but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities."</p> <p>(c) Ordinary Resolution 3
Continuing In Office As Independent Non-Executive Director</p> <p>"THAT authority be and is hereby given to Mr. Leou Thiam Lai who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."</p> | <p>Resolution 6</p> <p>Resolution 7</p> <p>Resolution 8</p> |
| <p>7. To transact any other business for which due notice has been given.</p> | |

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347)
Company Secretary

Kuala Lumpur
27 April 2016

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
 2. Where a member of the Company is an exempt authorised nominee ("EAN") 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 EAN may appoint in respect of each omnibus account it holds.
 3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorised.
 4. The Form of Proxy must be deposited at the Company's Registered Office at No. 42, 1st Floor, Jalan Maarof, Bangsar Baru, 59100 Kuala Lumpur not less than forty eight (48) hours before the time set for the meeting or any adjournment thereof.
 5. **General Meeting Record of Depositors**
For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 54(C) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("LR"), a Record of Depositors as at 12 May 2016 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.
 6. **Retirement of Director**
Retirement of Director Mr. Chuah Teong Aung, an Independent Non-Executive Director via his letter dated 29 February 2016 informed the Board of Directors of the Company that he does not wish to seek re-appointment pursuant to Section 129(6) of the Companies Act, 1965. Hence, he will retire at the conclusion of the Nineteenth Annual General Meeting.
 7. **Explanatory Notes on Ordinary and Special Business:**
 - (a) **Audited Financial Statements for financial year ended 31 December 2015**
The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval, under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put for voting.
 - (b) **Resolution pursuant to Section 132D of the Companies Act, 1965**
Resolution No. 6 proposed under item 6(a) is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965 which was approved by shareholders at the last year's AGM. There was no issuance of new shares during the year.

The proposed Resolution No. 6, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the interests of the Company up to an aggregate not exceeding 10% of the issued share capital of the Company without convening a general meeting. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The renewed mandate 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 investment project(s), working capital and/or acquisition.
 - (c) **Resolution pursuant to Proposed Renewal of Authority For Share Buy-Back**
Resolution No. 7 proposed under item 6(b), if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting. For further information, please refer to the Circular to Shareholders dated 27 April 2016 which is circulated together with this Annual Report.
 - (d) **Resolution No. 8**
In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee ("NC") has assessed the independence of Mr. Leou Thiam Lai, who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has assessed and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-
 - (i) Mr. Leou Thiam Lai has fulfilled the criteria under the definition of Independent Director as stated in the LR of Bursa Securities, and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board.
 - (ii) Mr. Leou Thiam Lai is a Chartered Accountant of the Malaysian Institute of Accountants, a fellow member of the Chartered Association of Certified Accountants (UK) and a fellow member of the Chartered Tax Institute of Malaysia and thus, he is able to fulfill the financial expertise requisite under the LR in relation to the composition of the Audit Committee. Being the Chairman of the Audit Committee, his knowledge, skills and experience in finance and audit would enable him to ensure the effectiveness of the Audit Committee in providing independent, objective and effective oversight to the Board.
 - (iv) His length of service on the Board of more than nine years does not in any way interfere with their exercise of objective judgment or their ability to act in the best interests of the Company and Group. In fact, Mr. Leou Thiam Lai, having been with the Company for more than nine years, is familiar with the Group's business operations and has devoted sufficient time and commitment to their role and responsibilities as Independent Directors for informed and balance decision making.
 - (v) He has exercised due care during their tenure as Independent Non-Executive Directors of the Company and has carried out his professional duties in the interest of the Company and shareholders.
- Resolution No. 8 proposed under item No. 6(c), if passed, will authorise Mr. Leou Thiam Lai to continue in office as Independent Non-Executive Director of the Company.