



GRAND-FLO BERHAD

(607392-W)

A Main Market listed company

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Grand-Flo Berhad ("**Grand-Flo**" or "**Company**") will be held at The Greens 3, Ground Floor, Sports Wing, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 2 August 2016 at 11.30 a.m. for the purpose of considering and if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION:

PROPOSED EXTENSION OF PROFIT GUARANTEE PERIOD TO INCLUDE FINANCIAL PERIOD COMMENCING 1 JANUARY 2016 AND ENDING 31 DECEMBER 2016 FOR THE PROFIT GUARANTEE TO GRAND-FLO BERHAD ("GRAND-FLO" OR "COMPANY") THAT INNOCERIA SDN BHD ("ISB") SHALL HAVE AN AGGREGATE AUDITED PROFIT AFTER TAXATION OF AT LEAST RM15,000,000, ARISING FROM AS FOLLOWS:

- (I) **RM5,000,000 FOR THE FINANCIAL PERIOD COMMENCING 1 JANUARY 2014 AND ENDING 31 DECEMBER 2014; AND**
- (II) **RM10,000,000 FOR THE FINANCIAL PERIOD COMMENCING 1 JANUARY 2015 AND ENDING 31 DECEMBER 2015;**

WHICH FORM PART OF THE BASIS OF THE TOTAL CONSIDERATION OF RM15,000,000 FOR THE ACQUISITION BY GRAND-FLO OF AN AGGREGATE OF 125,001 ORDINARY SHARES OF RM1.00 EACH IN ISB, REPRESENTING 50.0004% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF ISB

"**THAT** approval be and is hereby given to the Directors of the Company for the proposed extension of profit guarantee period to include financial period commencing 1 January 2016 and ending 31 December 2016 for the profit guarantee to Grand-Flo that ISB shall have an aggregate audited profit after taxation of at least RM15,000,000, arising from as follows:

- (i) RM5,000,000 for the financial period commencing 1 January 2014 and ending 31 December 2014; and
- (ii) RM10,000,000 for the financial period commencing 1 January 2015 and ending 31 December 2015;

which form part of the basis of the total consideration of RM15,000,000 for the acquisition by Grand-Flo of an aggregate of 125,001 ordinary shares of RM1.00 each in ISB, representing 50.0004% of the total issued and paid-up share capital of ISB.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the above proposal with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities and as the Directors deem fit, appropriate and in the best interest of the Company."

By order of the Board

Tea Sor Hua (MACS 01324)
Yong Yen Ling (MAICSA 7044771)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
15 July 2016

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an officer or attorney so authorised.
6. To be valid, the instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 65(3) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 26 July 2016. Only members whose names appear in the General Meeting Record of Depositors as at 26 July 2016 shall be regarded as members and entitled to attend, speak and vote at the meeting.