



BIO OSMO BERHAD (Company No.: 740838-A)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of Bio Osmo Berhad will be held at Pinetree Hotel, 36 Jalan Mengkudu, Off Jalan Bukit Pasir, 83000 Batu Pahat, Johor Darul Ta'zim, Malaysia on Tuesday, 6 December 2016 at 11.30 a.m. for the following purposes :-

A G E N D A

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial period ended 30 June 2016 together with the Directors' and Auditors' Report thereon. **(Please refer to Explanatory Note A)**
- To approve the payment of Directors' Fees of RM162,000 (2014: RM102,000) for the financial period ended 30 June 2016. **(Resolution 1)**
- To re-elect En Auzir bin Mohd Yaacob who retires in accordance with Article 127 of the Company's Articles of Association and being eligible, offers himself for re-election. **(Resolution 2)**
- To re-appoint Messrs Baker Tilly Monteiro Heng (AF 0117) as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 3)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions:-

- ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**
"THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act") and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time 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 share capital of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 4)**
- ORDINARY RESOLUTION - CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**
 - "THAT approval be and is hereby given to Mr Wong Kok Seong 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." **(Resolution 5)**
 - "THAT subject to the passing of Resolution 2 above, approval be and is hereby given to En Auzir bin Mohd Yaacob 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." **(Resolution 6)**
- To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Act.

BY ORDER OF THE BOARD

SIEW SUET WEI (F)

MAICSA NO. 7011254

Chartered Secretary

Kuala Lumpur

Date: 31 October 2016

NOTES:-

- 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. The proxy need not be a Member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or if such appointer is a corporation under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
- Depositors whose name appear in the Record of Depositors as at 30 November 2016 shall be regarded as members of the company entitled to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

- Resolution 4

The proposed Ordinary Resolution, if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate.

The renewal of the mandate for the issue of shares was approved by its shareholders at the AGM held on 16 June 2015. Pursuant to the mandate granted by the shareholders at the AGM held on 16 June 2015 and the specific mandate granted by shareholders at the Extraordinary General Meeting held on 24 February 2016, as at the date of notice of meeting, the Company issued a total of 224,397,000 new ordinary shares at an issue price of RM0.05 each in the share capital of the Company ("Private Placement").

The details of the utilisation of proceeds raised from the Private Placement as at the date of notice of meeting are as follows:-

Purpose of proceeds	Amount Utilised (RM '000)	Amount Unutilised (RM '000)	Original proposed utilisation of proceeds as set out in the circular dated 2 February 2016 (RM '000)	Expected timeframe for utilisation
Funding for the Proposed Subscription of new ordinary shares in Intra Magnum Sdn Bhd ("IMSB") representing 75% of the enlarged issued and paid-up share capital in IMSB	9,020	-	9,020	Within two (2) months
Defrayment of expenses related to the Proposals ⁽¹⁾	150	2,050	2,200 ⁽²⁾	Within one (1) month
Total	9,170	2,050	11,220	

Note:

(1) Collectively, the Proposed Par Value Reduction, Proposed Subscription, Proposed Placement, Proposed Diversifications and Proposed Amendments.

(2) The estimated expenses include estimated professional fees, fees payable to regulatory authorities, printing and advertising costs as well as any other incidental expenses in connection with the Proposals. Any variation to the amount of estimated expenses in relation to the Proposals will result in an adjustment to the proceeds allocated for funding of the Proposed Subscription.

This authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

- Resolutions 5 and 6

Pursuant to the Malaysian Code on Corporate Governance 2012, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine years.

The Nomination Committee and the Board of Directors had assessed the independence of Mr Wong Kok Seong and En Auzir bin Mohd Yaacob and concluded that both Directors continue to provide proper check and balance to the Board and therefore, also bring an element of objectivity to the Board of Directors. Therefore, the Nomination Committee is satisfied and proposed that Mr Wong Kok Seong and En Auzir bin Mohd Yaacob be retained to continue as Independent Directors.

The proposed Resolutions 5 and 6, if passed, will enable Mr Wong Kok Seong and En Auzir bin Mohd Yaacob to continue to act as Independent Non-Executive Directors of the Company.

STATEMENT ACCOMPANYING NOTICE OF 9TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There are no individuals who are standing for election as directors (excluding directors standing for a re-election).