



NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be convened and held at Ming Garden Hotel & Residence, Level 2, Babagon Boardroom, Lorong Ming Garden, Jalan Coastal, Kota Kinabalu, Sabah on Wednesday, 30 November 2016 at 9.00 a.m. to transact the following business:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon.
- To approve the sum of not exceeding RM135,750 as the total Directors' fees for payment in respect of the financial year ending 30 June 2017. **Resolution 1**
- To re-elect the Director, Mr Koo Jenn Man who retires pursuant to Article 86 of the Company's Articles of Association and eligible, offer himself for re-election. **Resolution 2**
- To re-appoint Messrs PKF as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. **Resolution 3**
- Special Business**
To consider and if thought fit, to pass the following resolutions:
(a) **Ordinary Resolution**
- **Proposed renewal of authority to issue shares pursuant to Section 132D of the Companies Act, 1965** **Resolution 4**
"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
(b) **Ordinary Resolution**
- **Proposed renewal of authority for the Company to purchase its own shares representing up to 10% of its issued and paid-up share capital** **Resolution 5**
"THAT subject always to compliance with the Companies Act, 1965 ("the Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("Bursa Securities") or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM0.10 each in the Company's issued and paid-up ordinary share capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:
(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any point in time of the said purchase(s);
(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium of the Company at the time of the said purchase(s); and
(c) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
(ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is earlier;
AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:
(aa) cancel all the shares so purchased; and/or
(bb) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or
(cc) retain part thereof as treasury shares and cancel the remainder; and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;
AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary and to enter into any agreements and arrangements with any party or parties to implement, finalized and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities."
(c) **Ordinary Resolution**
- **Proposed Retention of Independent Director Mr Kwan Tack Chiong** **Resolution 6**
"THAT Mr Kwan Tack Chiong be and is hereby retained as an Independent Director of the Company until the conclusion of the next annual general meeting in accordance with the Recommendation 3.3 of the Malaysian Code on Governance 2012."
(d) **Ordinary Resolution**
- **Proposed Retention of Independent Director Mr Ooi Jit Huat** **Resolution 7**
"THAT Mr Ooi Jit Huat be and is hereby retained as an Independent Director of the Company until the conclusion of the next annual general meeting in accordance with the Recommendation 3.3 of the Malaysian Code on Governance 2012."
- To transact any other business that may be transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board

Katherine Chung Mei Ling
(MAICSA 7007310)
Company Secretary
Sandakan
31 October 2016

Notes:

- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy may but need not be a Member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A Member shall not be entitled to appoint more than 2 proxies to attend and vote at the same meeting and that such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- In the case of a corporate member, the instrument appointing a proxy shall either under its Common Seal or under the hand of an officer or attorney duly authorised.
- 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 authorized nominee may appoint in respect of each omnibus account it holds.
- To be valid, this form duly completed must be deposited at the Registered Office of the Company at Lot 5, 1st Floor, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, P. O. Box 2848, 90732 Sandakan, Sabah not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- Only a depositor whose name appears on the Record of Depositors as at 22 November 2016 shall be regarded as member of the Company entitled to attend, speak and vote at the Twentieth Annual General Meeting or appoint proxy/proxies to attend and vote on his/her behalf.
- All the Resolutions set out in this Notice will be put to vote by poll pursuant to Paragraph 8.29(1) of the Main Market Listing Requirements.
- Retirement of Director**
Dato' Sri Chee Hong Leong, the Chairman and Independent Non-Executive Director will retire by rotation pursuant to Article 86 of the Company's Articles of Association at the conclusion of Twentieth Annual General Meeting and he does not wish to seek for re-election.

9. EXPLANATORY NOTE ON SPECIAL BUSINESS

(a) Resolution 4

Resolution 4 is the renewal of general mandate empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued under the general mandate does not exceed 10% of the issued share capital of the Company for the time being. This authority, unless revoked and varied at a general meeting, will expire at the next Annual General Meeting.

At the last Annual General Meeting held on 15 December 2015, the shareholders approved the general mandate pursuant to Section 132D of the Companies Act, 1965 and this mandate will lapse at the conclusion of the Twentieth Annual General Meeting to be held on 30 November 2016.

As at the date of this Notice, the Company has announced on 19 October 2016, the fund raising Proposals to be undertaken, amongst others, the Proposed Private Placement of the issuance of up to 64,203,342 new shares of the Company (representing 10% of the issued share capital of the Company for the time being) to third party investors to be identified later.

The proceeds raised from the Proposed Private Placement will be utilized to part finance the payment of the earnest deposit in relation to the Proposed Acquisition of timber extraction and replanting rights on a forest reserve area comprising of 101,161 hectares in Trus Madi, Sabah known as Forest Management Unit No. 5 by the wholly-owned subsidiary, GSR Pte. Ltd.

The renewal of the general mandate will provide flexibility to the Company to issue new shares without the need to seek shareholders' approval at separate general meeting and thereby reducing administrative time and costs associated with the convening of such meeting. This general mandate is for possible fund-raising exercises and placement of shares for purpose of funding future investment projects, working capital or acquisition.

(b) Resolution 5

Resolution 5 is to renew the shareholders' mandate for share buy-back by the Company, if passed, will empower the Directors to purchase the Company's shares up to 10% of the issued and paid-up capital of the Company at any point of time. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

(c) Resolution 6 and 7

For Resolution 6 and 7, if passed, will retain Mr Kwan Tack Chiong and Mr Ooi Jit Huat as Independent Directors of the Company to fulfill paragraph 3.04 of the Main Market Listing Requirements and in line with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012.

As at the date of this Notice, Mr Kwan Tack Chiong and Mr Ooi Jit Huat have served the Company for a cumulative term of more than 9 years. The Nomination Committee and the Board have considered the assessments on Mr Kwan Tack Chiong and Mr Ooi Jit Huat meet the criteria of experience, integrity and competency in discharging their duties as Independent Directors. They have also satisfied the test of independence based on guidelines of the Main Market Listing Requirements. They have proven that their length of service do not interfere with their ability in exercising impartial judgement in the Board deliberation and the interest of the Company as a whole. Their networking, experience and familiarisation with the business operations will provide a check and balance to the Executive Directors and management team. The Board, therefore would like to recommend to the shareholders for approval at the forthcoming Annual General Meeting that Mr Kwan Tack Chiong and Mr Ooi Jit Huat be retained as Independent Directors.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of persons who are standing for election as Director

No individual is seeking election as a Director at the Twentieth Annual General Meeting.