



**Boustead Heavy Industries Corporation Berhad** (11106-V)  
(Incorporated in Malaysia)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the 45<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held at Mutiara Ballroom, Ground Floor, The Royale Chulan Damansara, No. 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 5 April 2017 at 2.30 p.m.** to transact the following businesses:

**ORDINARY BUSINESS**

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| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of Directors and Auditors thereon.   | <i>(Please refer Note 1)</i>               |
| 2. To re-elect Dato' Ishak Osman retiring in accordance with Article 77 of the Company's Articles of Association.   | <b>Resolution 1</b>                        |
| 3. To re-appoint Tan Sri Dato' Seri Ahmad Ramli Hj Mohd Nor as Director of the Company.   | <b>Resolution 2</b>                        |
| 4. To re-appoint Datuk Azzat Kamaludin as Director of the Company.  | <b>Resolution 3</b>                        |
| 5. To approve the following payments to Directors:-<br>(a) Directors' Fees of RM493,750 in respect of the financial year ended 31 December 2016; and<br>(b) Directors' meeting allowances payable to each Director of RM1,000 for each Board Meeting and/or Board Committee Meeting attended by the Directors with effect from 1 January 2017.  | <b>Resolution 4</b><br><b>Resolution 5</b> |
| 6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.  | <b>Resolution 6</b>                        |
| 7. To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:<br><b>APPROVAL FOR DATO' ISHAK OSMAN TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR</b><br>"THAT subject to the passing of Ordinary Resolution 1, Dato' Ishak Osman who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."  | <b>Resolution 7</b>                        |
| <b>APPROVAL FOR ABD MALIK BIN A RAHMAN TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR</b><br>"THAT Abd Malik A Rahman who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."   | <b>Resolution 8</b>                        |
| 8. To consider and if thought fit, to pass the following Ordinary Resolution with or without modifications:<br><b>AUTHORITY TO ALLOT SHARES</b><br>"THAT subject always to the Companies Act, 2016 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 76 of the Companies Act, 2016, to allot shares in the Company from time to time until the conclusion of the next AGM at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 shares of the Company for the time being."   | <b>Resolution 9</b>                        |
| 9. <b>PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</b><br>"THAT subject to the Companies Act, 2016 ("the Act"), provisions of the Company's Memorandum & Articles of Association and the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("LR"), approval be and is hereby given to the Company and its Subsidiaries to enter into all transactions involving the Related Parties as specified in Section 2.4 of the Circular to Shareholders dated 14 March 2017 provided that such transactions are:<br>(i) recurrent transactions of a revenue or trading nature;<br>(ii) necessary for the day-to-day operations;<br>(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and<br>(iv) are not to the detriment of the minority shareholders.<br>("the Mandate")<br>AND THAT such approval shall continue to be in force until:<br>(a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;<br>(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or<br>(c) revoked or varied by a resolution passed by the Shareholders in a General Meeting whichever is earlier.<br>AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate." | <b>Resolution 10</b>                       |
| 10. To transact any other business of which due notice shall have been received.  |  |

**BY ORDER OF THE BOARD**

LILYROHAYU AB. HAMID @ KASSIM  
SUZANA SANUDIN  
Secretaries

Kuala Lumpur  
Date: 14 March 2017

**NOTES:**

- Only depositors whose names appear in the Record of Depositors as at 27 March 2017 shall be regarded as members and entitled to attend, speak and vote at the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a member may appoint any persons to be his proxy.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
- 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 but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an 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 instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company, 17th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- Explanatory Notes:-**
  - Audited Financial Statements**  
The Audited Financial Statements are laid before the shareholders pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016 ("CA 2016"). The same is for discussion and not put forward for voting.
  - Resolution 2 & 3**  
With the coming into force the CA 2016 on 31 January 2017, there is no age limit for directors.  
At the 44th AGM of the Company held on 30 March 2016, both Tan Sri Dato' Seri Ahmad Ramli Hj Mohd Nor and Datuk Azzat Kamaludin, who are above the age of 70, were reappointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the 45th AGM. Their term of office will end at the conclusion of the 45th AGM and they have offered themselves for re-appointment.  
The proposed Ordinary Resolutions 2 and 3, if passed, will enable both Tan Sri Dato' Seri Ahmad Ramli Hj Mohd Nor and Datuk Azzat Kamaludin to continue to act as Directors of the Company and they shall subject to retirement by rotation at a later date.  
The Nominating Committee ("NC") of the Company has assessed the criteria and contribution of Tan Sri Dato' Seri Ahmad Ramli Hj Mohd Nor and Datuk Azzat Kamaludin and recommended for their re-appointment. The Board endorsed the NC's recommendation that Tan Sri Dato' Seri Ahmad Ramli Hj Mohd Nor and Datuk Azzat Kamaludin be re-appointed as Directors of the Company.
  - Resolution 4 & 5**  
Section 230(1) of the CA 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors at the 45th AGM in two (2) separate resolutions as below:-  
• **Resolution 4** on payment of Directors' Fees totalling RM493,750 in respect of the financial year ended 31 December 2016; and  
• **Resolution 5** on payment of Directors' meeting allowances payable to each Director of RM1,000 for each Board Meeting and/or Board Committee Meeting attended by the Directors with effect from 1 January 2017.
  - Resolution 7 & 8**  
The NC has assessed the independence of Dato' Ishak Osman and Abd Malik A Rahman, who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended them to act as an Independent Non-Executive Director of the Company as they have shown that they:  
(a) have fulfilled the criteria under the definition of Independent Director as stated in the LR and will thus be able to function as a check and balance, and bring the element of objectivity to the Board.  
(b) have been with the Company for more than nine years and have good knowledge of the Company's business operations.  
(c) have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.  
(d) have exercised due care during their tenure as an Independent Non-Executive Director of the Company and carried out their professional duties in the best interest of the Company and shareholders.  
The Board endorsed the NC's recommendation that Dato' Ishak Osman and Abd Malik A Rahman be continued as an Independent Non-Executive Director of the Company.
  - Resolution 9**  
The Proposed Resolution 9, if passed, will give the Directors, from the date of the above AGM, authority to allot shares not more than 10% of the total number of issued shares of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors may deem fit and in the interests of the Company ("Renewed General Mandate"). The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.  
The Renewed General 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 future investment project(s), working capital and/or acquisitions.  
As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 44th AGM held on 30 March 2016 and which will lapse at the conclusion of the 45th AGM.
  - Resolution 10**  
The proposed Ordinary Resolution 10, if passed, will enable the Company and/or 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 the minority shareholders of the Company ("Mandate").  
Further information on the Mandate is set out in the Circular to Shareholders dated 14 March 2017 which is dispatched together with the Company's Annual Report 2016.