

FOCUS LUMBER BERHAD (188710-V)
(Incorporated in Malaysia)

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of **FOCUS LUMBER BERHAD** will be held at Zara's Boutique Hotel, Harbour City, Jalan Pantai Baru, Sembulan, 88100 Kota Kinabalu, Sabah on Wednesday, 17 May 2017 at 11.00 a.m. to transact the following businesses:-

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.

(Please refer to Note 2)
2. To approve the payment of Directors' Fees of RM280,800 in respect of the financial year ended 31 December 2016.

(Resolution 1)
3. To approve the payment of Directors' Fees and Benefits up to RM445,800.00 from 1 January 2017 until the next Annual General Meeting of the Company.

(Resolution 2)
4. To re-elect the following Directors who retire pursuant to Article 67 of the Company's Constitution:-
 - (i) Datuk Aznam Bin Mansor **(Resolution 3)**
 - (ii) Lin Hao Wen **(Resolution 4)**
5. To re-elect Lin Hao Yu who retires pursuant to Article 73 of the Company's Constitution. **(Resolution 5)**
6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

7. **Ordinary Resolution I**
Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016
"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby empowered to allot shares in the Company at any 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 allotted 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 are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

(Resolution 7)
8. **Ordinary Resolution II**
Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase Its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Mandate")
"THAT subject to the provision of the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines, the Company be and is hereby authorized to allocate the maximum amount of funds not exceeding the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) for the purpose of purchasing such amount of ordinary shares in the Company ("FLB Shares") on the stock market of Bursa Securities at any time as may be determined by the Directors of the Company provided that the aggregate number of FLB Shares which may be purchased and/or held by the Company shall not exceed ten per cent (10%) of the total number of issued shares of the Company;
THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the FLB Shares in the following manner:-
 - (i) to cancel the FLB Shares so purchased; or
 - (ii) to retain the FLB Shares so purchased as treasury shares for distribution as dividends to shareholders and/or resell the treasury shares on the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - (iii) combination of (i) and (ii) above;and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;
AND THAT the Directors be and are hereby empowered to carry out the above and such authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution is passed, at which time it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;whichever occurs first.
AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deem fit, expedient and necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Mandate contemplated and/or authorised by this resolution."

(Resolution 8)
9. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD
WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
LIEW PUI LING (MAICSA 7058897)

Company Secretaries
Kuala Lumpur

Date: 21 April 2017

NOTES:

1. Appointment of Proxy

- i. A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company.
- ii. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- iii. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and that where the member appoint two (2) proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- iv. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- v. 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.
- vi. Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- vii. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- viii. Only the members whose names appear on the Record of Depositors as at 9 May 2017 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

2. Audited Financial Statements for the financial year ended 31 December 2016

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

3. Directors' Fees and Benefits

The Directors' fees and benefits (including meeting allowances) proposed for the period from 1 January 2017 up to the date of the next Annual General Meeting are calculated based on the current Board size and number of scheduled Board and Committee meetings for 2017 up to the next Annual General Meeting. This resolution is to facilitate payment of Directors' benefits on a current financial year basis. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

4. Ordinary Resolution 3 – Re-election of Director

The Board had carried out assessment on the contribution and performance as well as the independence of the Independent Director standing for re-election and satisfied that he met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. Explanatory Notes on Special Business

i. Resolution No. 7 - Authority to Allot Shares

The proposed Resolution No. 7 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for such purpose as the Directors consider would be in the interest of the Company.

The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. 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, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

As at the date of this notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Twenty-Sixth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

ii. Resolution No. 8 - Proposed Renewal of Share Buy-Back Mandate

The proposed resolution 8, if passed will give the Company the authority to purchase its own ordinary shares of up to ten per cent (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 21 April 2017 for further information.