



**NOTICE OF ELEVENTH ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be held at Jasmine A & B Conference Room, Fourth Floor, Riverview Hotel, 29 Jalan Bentayan, 84000 Muar, Johor on Friday, 26 May 2017 at 11.30 a.m. to transact the following businesses:

**AGENDA**

**AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 31 December 2016. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fee of RM120,000 in respect of the financial year ended 31 December 2016. [Resolution 1]
3. To approve the payment of festival token to the Non-Executive Directors up to an amount of RM30,000 in respect of the financial year ending 31 December 2017. [Resolution 2]
4. To re-elect the following Directors who retire pursuant to Article 103 of the Constitution of the Company: (Please refer to Explanatory Note 2)
  - 4.1 Mr Loh Wee Ching [Resolution 3]
  - 4.2 Mr Choong Keen Shian [Resolution 4]
  - 4.3 Mr Frederick Ng Yong Chiang [Resolution 5]
5. To re-appoint Dato' Zainal Bin Hassan as a Director of Company. [Resolution 6]
6. To consider and if thought fit, to pass the following resolution: (Please refer to Explanatory Note 3)

"THAT Messrs PricewaterhouseCoopers, having consented to act, be and are hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Crowe Horwath, and to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Board of Directors"

[Resolution 7]

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions:

**7. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT subject to Sections 75 and 76 of the Companies Act 2016, Constitution of the Company and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 to be issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also 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 commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier."

**8. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT subject to Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") with the related party(ies) as set out in Section 2 of Part B of the Circular to Shareholders of the Company dated 27 April 2017 ("the Circular") provided that such transactions are:

- (a) necessary for the day-to-day operations;
- (b) in the ordinary course of business and are on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public; and
- (c) not prejudicial to the minority shareholders of the Company.

("Shareholders' Mandate")

THAT such approval shall continue to be in force and effect until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM;
- (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 Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting; whichever is the earlier;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

**9. PROPOSED RENEWAL OF AUTHORISATION TO ENABLE TEO SENG CAPITAL BERHAD TO PURCHASE UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

"THAT, subject always to the compliance with all applicable laws, guidelines, rules and regulations and the approval of all relevant authorities, the Company be and is hereby authorised to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased or held as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or to deal with the treasury shares in the manner allowed by the Act.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM 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 occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 of Malaysia, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter in accordance with the requirements and/or guidelines of Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other relevant governmental and/or regulatory authorities."

10. To transact any other business of which due notice shall have been given.

By order of the Board

LEE CHOON SENG (MAICSA 7003453)

LUM SOW WAI (MAICSA 7028519)

WONG WAI FOONG (MAICSA 7001358)

TAN BEE HWEI (MAICSA 7021024)

Secretaries

Yong Peng

27 April 2017

**Notes:**

- (i) For the purpose of determining a member who shall be entitled to attend and vote at the Eleventh Annual General Meeting, the Company shall be requesting the Record of Depositors as at 19 May 2017. Only a depositor whose name appears on the Record of Depositors as at 19 May 2017 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.
- (ii) A member entitled to attend and vote at this meeting is entitled to appoint one (1) or more proxies to attend and vote in its stead.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one 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.
- (iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one 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.
- (v) Where a member or 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.
- (vi) The instrument appointing a proxy or 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 registered office of the Company at 201-203, Jalan Abdullah, 84000 Muar, Johor, not less than forty-eight (48) hours before 11.30 a.m. on Wednesday, 24 May 2017.
- (vii) If the appointer is a corporation, this form shall be executed under its common seal or under the hand of its officer or attorney duly authorised.
- (viii) If this Proxy Form is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Proxy Form.

**EXPLANATORY NOTES**

1. **Item 1 of the Agenda**  
This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. **Item 4 of the Agenda**  
The Nominating Committee ("NC") of the Company has assessed the criteria of independent directors (namely Mr Choong Keen Shian and Mr Frederick Ng Yong Chiang) as defined under Paragraph 1.01 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company; and the contribution of Mr Loh Wee Ching, Mr Choong Keen Shian and Mr Frederick Ng Yong Chiang and recommended for their re-election. The Board endorsed the NC's recommendation that Mr Loh Wee Ching, Mr Choong Keen Shian and Mr Frederick Ng Yong Chiang be re-appointed as Directors of the Company.
3. **Item 5 of the Agenda**  
There is no age limit to act as directors in a public company pursuant to Companies Act 2016, which came in force on 31 January 2017. In this respect, Dato' Zainal Bin Hassan, aged above 70 who was re-appointed pursuant to Section 129 of the Companies Act 1965 at the last Annual General Meeting of the Company, his term of office will end at the conclusion of the forthcoming 11th Annual General Meeting of the Company to be held on 26 May 2017.  
The proposed resolution 6, if passed, will enable Dato' Zainal Bin Hassan, who has offered himself for re-appointment to continue to act as a director of the Company and he shall subject to retirement by rotation at a later date.
4. **Item 7 of the Agenda**  
The proposed resolution 8 is the renewal of the mandate obtained from the members at the last Annual General Meeting and if passed, will give the Directors authority to issue new ordinary shares up to such number not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors would consider to be in the best interest of the Company (hereinafter referred to as the "General Mandate"). This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. The new General Mandate will commence from the date of this Annual General Meeting and, unless earlier revoked or varied by the shareholders of the Company at a subsequent general meeting, expire at the next annual general meeting.  
The General Mandate granted by the shareholders at the Tenth Annual General Meeting of the Company held on 24 May 2016 had not been utilized and hence, no proceeds were raised therefrom. The purpose of the new 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 borrowings and/or acquisitions.
5. **Item 8 of the Agenda**  
The proposed resolution 9, if passed, will allow the Group to continue to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and transaction prices, which are not prejudicial to the interests of the minority shareholders. Please refer to Part B of the Circular to Shareholders dated 27 April 2017 for further information.
6. **Item 9 of the Agenda**  
The proposed resolution 10, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. Please refer to Part A of the Circular to Shareholders dated 27 April 2017 for further information.