



LII HEN INDUSTRIES BHD.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Third (23rd) Annual General Meeting of Lii Hen Industries Bhd. will be held at Classic 1, Ballroom, Classic Hotel, 69, Jalan Ali, 84000 Muar, Johor Darul Takzim on Tuesday, 13 June 2017 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 8)*
2. To sanction the declaration of a final single tier dividend of 4 sen per share for the financial year ended 31 December 2016. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who retire pursuant to the Company's Articles of Association:
 - (a) Mr. Lan Haw Chong @ Lau Haw Chong - Article 83 *(Ordinary Resolution 2)*
 - (b) Mr. Chua Yong Haup - Article 83 *(Ordinary Resolution 3)*
 - (c) Mr. Chan Wah Chong - Article 83 *(Ordinary Resolution 4)*
 - (d) Dato' Mustapha Bin Abd Hamid - Article 90 *(Ordinary Resolution 5)*
4. To approve the following payments to Directors:
 - (a) Directors' fees of RM45,000 in respect of the financial year ended 31 December 2016; and *(Ordinary Resolution 6)*
 - (b) Directors' remuneration (excluding fees) to the Non-Executive Directors up to an amount of RM375,000 from 1 January 2017 until the next AGM of the Company. *(Ordinary Resolution 7)*
5. To re-appoint Messrs. John Lim & Associates as auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 8)*

AS SPECIAL BUSINESS

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

6. **Proposed Retention of Independent Non-Executive Director**

"THAT Mr. Tey Ping Cheng who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, be continued to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting." *(Ordinary Resolution 9)*
7. **Authority to Issue Shares**

"THAT subject always to the Companies Act, 2016 ('the Act'), and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 76 of the Act, to issue shares in the Company from time to time upon such terms and conditions and 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 in any one financial year 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 the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 10)*

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature pursuant to paragraph 10.09 of the Bursa Securities Main Market Listing Requirements**

"THAT, subject to the Companies Act, 2016 ("the Act"), the Memorandum and Articles of Association of the Company and the Bursa Malaysia Main Market Listing Requirements, approval be and is hereby given for the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 27 April 2017, which are necessary for the day-to-day operations of the Company and/or its subsidiaries in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the related parties, than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution at the next Annual General Meeting, or at the expiration of the period within which the next Annual General Meeting of the Company is required to be held under the Section 340(2) of the Act (excluding any extension of such period as may be allowed under Section 340(4) of the Act), or revoked or varied by resolution passed by the shareholders in a general meeting; whichever is earlier; and

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."

(Ordinary Resolution 11)

9. To consider any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company' Articles of Association.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend of 4 sen per share in respect of the financial year ended 31 December 2016, if approved by members at the Twenty Third (23rd) Annual General Meeting on 13 June 2017, will be paid on 27 July 2017 to Depositors registered in the Records of Depositors at the close of business on 11 July 2017.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 11 July 2017 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Tan Wang Giap (MACS 00523)
Company Secretary

Muar, Johor Darul Takzim

27 April 2017

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 June 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 23rd AGM or appoint proxies to attend, speak and vote on their behalf.
2. A proxy need not be a member of the Company and a member may appoint any person as his proxy.
3. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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 authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy in the case of any individual shall be signed by the appointor or his attorney duly authorised in writing and in the case of a corporation under its common seal or under the hand of an officer or attorney duly authorised.
6. In the event the member(s) duly exercises the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the 23rd Annual General Meeting as his/her proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).
7. To be valid the proxy form must be duly completed and deposited at the Registered Office of the Company, No. 67, 3rd Floor, Jalan Ali, 84000 Muar, Johor Darul Takzim, not less than forty eight (48) hours before the time for holding the meeting and any alteration to the proxy form must be initialed.

Explanatory Notes on Special Business

8. The audited financial statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1) (a) of the Companies Act, 2016. Hence, this matter will not be put for voting.
9. *Resolution 6 & 7*
Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits available 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 payments to Directors at the forthcoming 23rd AGM in two (2) separate resolutions.
10. *Resolution 9*
The purpose of the Resolution 9, if passed, will allow Mr. Tey Ping Cheng who has served as Independent Non-Executive Directors (“INED”) of the Company for a cumulative term of more than nine (9) years, to be retained and continue acting as an independent director. In line with the Malaysian Code on Corporate Governance 2012 and the Bursa Malaysia Main Market Listing Requirements, the Board is of the opinion that he has remained independent. In fact, he remains objective and independent in expressing his view with pertinent expertise, skills and competence through his experience in finance industries and is actively participating in deliberations and decision making process of the Board and Board Committees. In addition, he has devoted sufficient time and attention to the duties and responsibilities as INED of the Company. To that, the Board recommends Mr. Tey Ping Cheng to continue his office as Independent Non-Executive Director.
11. *Resolution 10*
The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purpose as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. This is the renewal of the mandate obtained from the members on the last Annual General Meeting (“the previous mandate”). The previous mandate was not utilised and accordingly no proceeds were raised. The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.
12. *Resolution 11*
The proposed ordinary resolution under item 8, if passed, will authorise the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the subsidiaries of the Company, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. Further information is set out in the Circular to Shareholders dated 27 April 2017 which is dispatched together with the Annual Report 2016.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions No.1 to No.11 set out in this Notice shall be put to vote by poll.