

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Sixth Annual General Meeting (“AGM”) of Hock Seng Lee Berhad (“the Company”) will be held at Riverside Majestic Hotel, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, Malaysia at 9.00 am on 25 May 2017 for the following business:

<b>ORDINARY BUSINESS</b>	<b>RESOLUTION</b>
1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.	1
2. To approve the payment of a final single tier exempt dividend of 1.4 sen per ordinary share each for the financial year ended 31 December 2016 as recommended by the Directors.	2
3. To approve the payment of Directors’ fees to Non-executive Directors of up to RM214,400 (2015: RM214,400) for the financial year ending 31 December 2017.	3
4. To approve the payment of Directors’ remuneration (excluding Directors’ fees) for Non-executive Directors of up to an amount of RM60,000.00 from 1 January 2017 until the next AGM of the Company.	4
5. To re-elect as a Director, Dato’ Haji Idris Bin Buang, who retires by rotation pursuant to Article 115 of the Company’s Articles of Association.	5
6. To re-elect as a Director, Mr Lau Kiing Yiing, who retires by rotation pursuant to Article 115 of the Company’s Articles of Association.	6
7. To re-elect as a Director, Mr Tony Yu Yuong Wee, who retires by rotation pursuant to Article 115 of the Company’s Articles of Association.	7
8. To re-appoint Messrs KPMG PLT as auditors of the Company and to authorise the Board of Directors to fix their remuneration.	8

**SPECIAL BUSINESS**

**To consider and if thought fit, pass the following Ordinary Resolutions:**

**9. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** 9

“**THAT**, subject to the Companies Act, 2016, the Company’s Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares (“Shares”) in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company (“Directors”) from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that:

- i. the maximum number of Shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the point of purchase provided that in the event that the Company ceases to hold all or any part of such Shares Purchased as a result of cancellation of shares, sale of shares on the market of Bursa Malaysia or distribution of treasury shares to shareholders as share dividends, the Company shall be entitled to further purchase and/or hold such additional number of Shares provided that such further purchase in aggregate with the treasury shares held by the Company at the point of purchase shall not exceed ten percent (10%) of the total issued and paid up share capital of the Company for the time being; and
- ii. the maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company’s latest audited retained earnings of RM513,510,861 as at 31 December 2016.

**AND THAT** authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the Shares purchased by the Company as treasury shares to be either distributed as share dividends or resold on Bursa Malaysia or subsequently cancelled, or to cancel the Shares so purchased, or a combination of both **AND THAT** the Directors of the Company be and are hereby authorised to act and to take all such steps and to do all things as they may deem necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back.

**AND FURTHER THAT** the authority hereby given shall commence immediately upon passing of this ordinary resolution and shall continue in force until:-

- (a) the conclusion of the next AGM of the Company at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM is required by law to be held;
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,
- whichever occurs first”

10. **PROPOSED RENEWAL OF SHAREHOLDER MANDATE IN RELATION TO THE RELATED PARTY TRANSACTIONS INVOLVING RECURRENT TRANSACTIONS OF A REVENUE OR TRADING NATURE (“Proposed Shareholder Mandate”)** 10
- “THAT pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements of Bursa Malaysia, the Directors of the Company be and are hereby empowered to enter into recurrent related party transactions of a revenue or trading nature of the activities as set out in Section 3.1.1 of the Circular to shareholders which are necessary for its day-to-day operations and are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public at any time until:-
- the conclusion of the next AGM of the Company, at which time the shareholder mandate will lapse, unless by a resolution passed at the meeting, the authority is renewed;
  - the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 340(1) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(2) of the Companies Act, 2016); or
  - revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier, upon such terms and conditions as the Directors of the Company, may in their absolute discretion deem fit.
- AND THAT** the Directors of the Company be and are hereby authorised to complete and to do all such acts and things they may consider expedient or necessary to give effect to the Proposed Shareholder Mandate.”
11. To retain as an Independent Director, Dato’ Haji Idris Bin Buang, who has served in that capacity for a cumulative term of more than nine years. 11
12. To retain as an Independent Director, Dr Chou Chii Ming, who has served in that capacity for a cumulative term of more than nine years. 12
13. To retain as an Independent Director, Tuan Haji Abang Kashim Bin Abang Morshidi, who has served in that capacity for a cumulative term of more than nine years. 13

**NOTICE OF DIVIDEND ENTITLEMENT DATE AND PAYMENT**

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty-sixth AGM a final single tier exempt dividend of 1.4 sen per ordinary share in respect of the financial year ended 31 December 2016 will be paid on 23 June 2017 to Depositors whose name appears in the Record of Depositors on 9 June 2017.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

- Shares transferred into the Depositor’s Securities Account before 4.00 pm on 9 June 2017 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Augustine Law Sek Hian  
(MIA No. 10087)  
Company Secretary

Kuching  
26 April 2017

**GENERAL MEETING RECORD OF DEPOSITORS**

- For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 18 May 2017. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 May 2017 shall be entitled to attend this AGM or to appoint proxies to attend and/or vote on his/her behalf.

**PROXY**

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint any person as his/her proxy to attend and vote instead of the member at the meeting.
- Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 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 authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer, or his/her attorney duly authorised in writing and in the case of a corporation the instrument appointing a proxy must be under Seal or under the hand of an attorney duly authorised in writing.
- The instrument appointing a proxy must be completed, signed and deposited at the Registered Office of the Company at Lot 1004, Jalan Kwong Lee Bank, 93450 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

## **ABSTENTION FROM VOTING**

7. The payment of Directors' fees and Directors' remuneration shall be distributed to the Non-executive Directors. All the Non-executive Directors of the Company who are shareholders of the Company will abstain from voting on Resolutions 3 and 4 concerning the payment of Directors' fees and Directors' remuneration.
8. The Directors and major shareholders and persons connected to them as disclosed in 3.2 of the Circular to Shareholders will abstain from voting on Resolution 10 pertaining to the Proposed Renewal of Shareholder Mandate in relation to the related party transactions involving recurrent transactions of a revenue or trading nature.

## **EXPLANATORY NOTES ON SPECIAL BUSINESS**

### **9. *Ordinary Resolution Pursuant To Proposed Renewal of Authority for Share Buy-Back***

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to purchase the Company's Shares through Bursa Malaysia Securities Berhad up to ten percent (10%) of the issued and paid up share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the Proposed Renewal of Authority for Share Buy-Back is set out in the Circular to Shareholders of the Company dated 26 April 2017 which is despatched together with the Company's Annual Report 2016.

### **10. *Ordinary Resolution Pursuant To Proposed Renewal of Shareholder Mandate***

For Ordinary Resolution 10, further information on the Proposed Renewal of Shareholder Mandate in relation to the related party transactions involving recurrent transactions of a revenue or trading nature is set out in the Circular to Shareholders of the Company dated 26 April 2017 which is despatched together with the Company's Annual Report 2016. This mandate, if approved, will expire at the conclusion of the next AGM of the Company unless revoked or varied at a general meeting.

### **11. *Ordinary Resolutions 11,12 and 13 - To Retain Dato' Haji Idris Buang, Dr Chou Chii Ming and Tuan Haji Abang Kashim Bin Abang Morshidi as Independent Directors***

In line with the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed the independence of Dato' Haji Idris Buang, Dr Chou Chii Ming and Tuan Haji Abang Kashim Bin Abang Morshidi who have served as Independent Directors of the Company for more than nine years. The Board of Directors concurred with the recommendation of the Nomination Committee that Dato' Haji Idris Buang, Dr Chou Chii Ming and Tuan Haji Abang Kashim Bin Abang Morshidi can continue to bring independent and objective judgements to board deliberations and recommended them to continue to act as independent directors of the Company.

Dato' Haji Idris Buang has been an Independent Non-executive Director since 1996 and became Chairman of HSL in 2008. Dato' Idris is familiar with the Group's unique operations and the Sarawak business climate making his contribution and experience highly valuable. Dato' Idris is a person of social standing in the local community and has presided over the Company during which time its performance has been exemplary. Dato' is clearly able to maintain an independent judgment given he has no executive role or shareholding in the company, is not related to any executive director or other staff members of the Company, not acting as nominee of any executive director or major shareholders of the company, nor has any other involvement in the day to day business of the Company or being engaged as an advisor or involved in any business transactions with the Group that would compromise his independence. Dato' has proven to be professional, diligent and able to bring independent and objective judgments in board deliberations and putting the interests of the Group to the fore as well as proactively promoting the best practices of internal controls and corporate governance.

Dr Chou joined the board in 2001 and he continues to contribute his extensive experience and knowledge to our Board. Dr Chou is a highly respected community leader and his corporate/community background, robust health and thorough understanding of Board procedures and HSL's specialized business enables him to provide objective and well-considered input. Dr Chou is clearly able to maintain an independent judgment given he has no executive role or major shareholding in the company, is not related to any executive director or other staff members of the company, not acting as nominee of any executive director or major shareholders of the company, nor has any other involvement in the day to day business of the company or being engaged as an advisor or involved in any business transactions with the Group that would compromise his independence. He has proven to be professional, diligent and able to bring independent and objective judgments in board deliberations and putting the interests of the Group to the fore as well as proactively promoting the best practices of internal controls and corporate governance.

Tuan Haji Abang Kashim Bin Abang Morshidi joined the board in 2008 and has been contributing his extensive experience and knowledge to our Board. Tuan Haji Abang Kashim Bin Abang Morshidi is a well-respected professional with high level of integrity and has good understanding of Board procedures. He has been able to provide objective and well-considered input in Board deliberation. Tuan Haji Abang Kashim Bin Abang Morshidi is clearly able to maintain an independent judgment given he has no executive role or major shareholding in the company, is not related to any executive director or other staff members of the company, not acting as nominee of any executive director or major shareholders of the company, nor has any other involvement in the day to day business of the company or being engaged as an advisor or involved in any business transactions with the Group that would compromise his independence. He has proven to be professional, diligent and able to bring independent and objective judgments in board deliberations and putting the interests of the Group to the fore as well as proactively promoting the best practices of internal controls and corporate governance.

## **FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION/RE-APPOINTMENT**

12. Details of Directors who are standing for re-election/re-appointment are set out in the Profile of Directors on pages 16 to 17 of the Annual Report 2016. Information relating to the respective Director's interest in the securities of the Company and its subsidiaries is set out on pages 26 to 27 of the Annual Report 2016.