



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of CNI Holdings Berhad ("CNI" or "the Company") will be held at Diamond Hall, First Floor, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 25 May 2017 at 10.30 a.m. to transact the following business:

AGENDA

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| 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. | Refer to Explanatory Note A |
| 2. To re-elect the following Directors who retire by rotation in accordance with Article 91 of the Company's Articles of Association and being eligible offer themselves for re-election: | |
| a) Mr. Tan Sia Swee | Resolution 1 |
| b) Mr. Chew Boon Swee | Resolution 2 |
| c) Mr. Lim Lean Eng | Resolution 3 |
| 3. To approve the payment of Directors' fees of RM432,000 for the financial year ended 31 December 2016. | Resolution 4 |
| 4. To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM90,000 from 1 January 2017 until the next Annual General Meeting of the Company. | Resolution 5 |
| 5. To appoint Messrs Moore Stephens Associates PLT as Auditors of the Company in place of the retiring auditors, Messrs Baker Tilly AC and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

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

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| 6. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR | Resolution 7 |
| "THAT authority be and is hereby given to Encik Zulkifli Bin Mohamad Razali who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012." | |
| 7. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR | Resolution 8 |
| "THAT subject to the passing of Ordinary Resolution 3, authority be and is hereby given to Mr. Lim Lean Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012." | |
| 8. AUTHORITY TO ISSUE SHARES | Resolution 9 |
| "THAT, subject always to the Companies Act, 2016, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act, 2016, to issue shares in the Company from time to 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 issued pursuant to this Resolution does not exceed 10% of the total number of issued shares 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 on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." | |
| 9. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") | Resolution 10 |
| "THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Part A of the Circular to Shareholders dated 28 April 2017, provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, 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;
THAT such approval shall continue to be in force until the earlier of: | |
| a) 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 passed at the next Annual General Meeting; | |
| b) the expiration of the period within which the next Annual General Meeting 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) such approval is revoked or varied by resolution passed by the shareholders in a general meeting before the next Annual General Meeting; | |
| AND THAT the Directors of the Company be 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 Proposed Shareholders' Mandate." | |
| 10. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY") | Resolution 11 |
| "THAT, subject always to the Companies Act, 2016, the provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interests of the Company, provided that: | |
| a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s); | |
| b) the maximum funds 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 | |
| c) 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; | |
| THAT the authority conferred by this Resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting; | |
| AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase." | |
| 11. To transact any other ordinary business of which due notice shall have been given. | |

BY ORDER OF THE BOARD

CHIN YOKE KWAI (MAICSA 7032000)

Company Secretary

Shah Alam
28 April 2017

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 19 May 2017 ("General Meeting Record of Depositors") shall be eligible to attend the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- A proxy may but does not need to be a member of the Company and if not a member he need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its attorney duly authorised.
- 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 holds.
- The instrument appointing a proxy must be deposited at the Company's registered office at Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

- Item 1 of the Agenda**
This Agenda item is meant for discussion only, as the provisions of Section 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.
- Ordinary Resolution 5 – Directors' benefits payable**
The proposed Directors' benefits payable (excluding Directors' fees) comprises allowance and other benefits.
The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings for the current financial year ending 31 December 2017 until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.
- Ordinary Resolution 6 – Change of Auditors**
The existing auditors, Messrs Baker Tilly AC ("BTAC") have been the auditors of the Company since June 2008. BTAC were re-appointed as the auditors of the Company at 27th AGM of the Company held on 26 May 2016 to hold office until the conclusion of the 28th AGM of the Company. BTAC have indicated their intention to retire and they are not seeking re-appointment as auditors of the Company.
The Company had on 30 March 2017 received a Notice of Nomination from Marvellous Heights Sdn Bhd, a major shareholder of the Company, nominating Messrs Moore Stephens Associates PLT ("MSA") as the new auditors of the Company in place of BTAC, a copy of which is annexed and marked as 'Appendix A' in the Annual Report 2016. The proposed change will help optimizing the business resources and cost of the Company.
The proposed appointment of MSA is subject to the receipt of their consent to act as auditors and if approved, they shall hold office until conclusion of the next AGM of the Company.
- Ordinary Resolution 7 - Retention of Independent Non-Executive Director**
The proposed resolution, if passed, will allow Encik Zulkifli Bin Mohamad Razali to be retained and continue acting as independent director to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements and in line with the recommendation Nos. 3.2 and 3.3 of the Malaysian Code on Corporate Governance 2012. The justification and recommendations for the retention as set out in page 32 of the Corporate Governance Statement in the Annual Report 2016.
- Ordinary Resolution 8 - Retention of Independent Non-Executive Director**
The proposed resolution, if passed, will allow Mr. Lim Lean Eng to be retained and continue acting as independent director to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements and in line with the recommendation Nos. 3.2 and 3.3 of the Malaysian Code on Corporate Governance 2012. The justification and recommendations for the retention as set out in page 32 of the Corporate Governance Statement in the Annual Report 2016.
- Ordinary Resolution 9 – Authority to Issue Shares**
This is the renewal of the mandate obtained from the members at the last Annual General Meeting which was not utilised and accordingly no proceeds were raised.
The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising exercises, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/or acquisition, by the issuance of shares in the Company to such person at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.
- Ordinary Resolution 10 – Proposed Shareholders' Mandate**
The proposed resolution, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Please refer to the Circular to Shareholders dated 28 April 2017 for further information.
- Ordinary Resolution 11 – Proposed Renewal of Share Buy-Back Authority**
The proposed resolution, if passed, will allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the aggregate of the retained profits of the Company.
Based on the Audited Financial Statements of the Company as at 31 December 2016, the Company's retained profits amounted to RM26,010,267.
Please refer to the Share Buy-Back Statement dated 28 April 2017 for further information.