



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-EIGHTH (28TH) ANNUAL GENERAL MEETING OF DENKO INDUSTRIAL CORPORATION BERHAD, WILL BE HELD AT THE CONFERENCE ROOM, NO. 16 JALAN HASIL DUA, 81200 TAMPOI, JOHOR BAHRU, JOHOR ON WEDNESDAY, 23 AUGUST 2017 AT 2:30 PM FOR THE FOLLOWING PURPOSES:

AGENDA

- Ordinary Business**
- To receive the Audited Financial Statements for the financial year ended 31 March, 2017 and the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 8 (a) (i)*
 - To approve the Directors' fees for the financial year ended 31 March 2017. *Resolution 1*
 - To approve the Directors' fees for the financial year ending 31 March 2018. *Resolution 2*
 - To re-elect the following retiring Directors in accordance to Article 109 of the Company's Articles of Association:-
 - Dato' Sri Foo Chee Juan; *Resolution 3*
 - Mr. Koh Win Ton *Resolution 4*
 - Ms. Wong Chin Chin *Resolution 5*
 - Ms. Grace Foo Hui Ting *Resolution 6*
 - To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. *Resolution 7*

Special Business

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

- ORDINARY RESOLUTION**
- **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *Resolution 8*

"That pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approvals of the relevant government/regulatory authorities, the Directors be and hereby authorised to allot and to issue shares in the Company, from time to time, 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 does not exceed 10 per centum of the total issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

- ORDINARY RESOLUTION**
- **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH ATA INDUSTRIAL (M) SDN BHD AND JABCO FILTER SYSTEM SDN BHD ("PROPOSED SHAREHOLDERS' MANDATE")** *Resolution 9*

"THAT approval be and is hereby given for the Company and / or its subsidiaries ("Group") to enter into recurrent transactions of a revenue or trading nature with ATA Industrial (M) Sdn Bhd ("ATA") and Jabco Filter System Sdn Bhd ("Jabco") as set out in Section 4.3 of the Circular to shareholders dated 31 July 2017, which are subject to the approval of the Proposed Shareholders' Mandate, provided that such recurrent transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are consistent with the Group's normal business practices and policies and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

- the conclusion of the next Annual General Meeting of the Company ("AGM") at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
 - the expiration of the period within which the next AGM is required to be held under Section 340(2) of the Companies Act, 2016 (but must not extend to such extension as may be allowed under Section 340(4) of the Companies Act, 2016); or
 - revoked or varied by ordinary resolution passed by the shareholders in a general meeting,
- whichever is the earlier AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give effect to the aforesaid shareholders' mandate,

AND THAT in making the appropriate disclosure of the aggregate value of the recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transactions made during the financial year, amongst others, based on the following information:

- the type of the recurrent transactions entered into; and
- the names of the related parties involved in each type of the recurrent transaction and their relationship with the Group.

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

BY ORDER OF THE BOARD,

**YONG MAY LI (f) (LS0000295)
WONG CHEE YIN (f) (MAICSA 7023530)
SANTHI A/P SAMINATHAN (f) (MIA 37094)**

Company Secretaries
Johor Bahru
Dated: 31 July 2017

Notes:

- For the purpose of determining members' eligibility to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 67(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositor as at 15 August 2017. Only members whose names appear therein shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- In the case of a corporation, this proxy should be executed under its Common Seal or under the hand of officer or attorney of the corporation duly authorised in writing on its behalf.
- Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a Member of the Company 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 proxy form and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor not less than 48 hours before the time appointed for the Meeting.
- Pursuant to Paragraph 8.29(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM shall be put to vote by poll.
- Explanatory Note:
 - Ordinary Business**
 - Item 1 of Agenda**

This item is meant for discussion only as the provision 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 is not put forward for voting.
 - Special Business**
 - Resolution No. 8**

– Authority To Issue And Allot Shares Pursuant To Sections 75 And 76 Of The Companies Act, 2016

The proposed Resolution No. 8, if passed, is a new General Mandate to empower the Directors to issue and allot shares up to an aggregate amount not exceeding ten per centum (10.0%) of the total issued share capital of the Company for the time being, for the purpose as and the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting. With this authority, the Company will be able to raise capital from the equity market in a shorter period of time and the cost to be incurred will also be lower as the need to convene an Extraordinary General Meeting will be dispensed with.

The General Mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to further placing of shares, for the purpose of funding future investment project (s) working capital and/or acquisition.

The Company did not issue any shares under the mandate granted to the Directors at the last Annual General Meeting of the Company held on 22 August 2016 and which will lapse at the conclusion of the 28th Annual General Meeting of the Company.
 - Resolution 9**

– Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The proposed Resolution No. 9, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with ATA and Jabco in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related transactions occur would not arise. Besides facilitating a smoother and more efficient conduct of business, this would substantially reduce administrative time, inconvenience, expenses associated with the convening of such meetings and would place the Group in a better position to leverage and take advantage of business opportunities as and when they may arise, without compromising the corporate objectives of the Group. The shareholders' mandate is subject to renewal on an annual basis.