



GADANG HOLDINGS BERHAD
(278114-K)
(Incorporated in Malaysia)

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth (24th) Annual General Meeting (AGM) of Gadang Holdings Berhad (the Company) will be held at Ballroom 1, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 8th November 2017 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 May 2017 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- To approve the payment of a first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 May 2017. (Ordinary Resolution 1)
- To approve the payment of Directors' fees of RM260,000 for the financial year ended 31 May 2017 (FY2016:RM220,000).
Please refer to Explanatory Note B (Ordinary Resolution 2)
- To approve the payment of Directors' fees up to an amount of RM260,000 for the financial year ending 31 May 2018.
Please refer to Explanatory Note B (Ordinary Resolution 3)
- To approve the payment of benefits payable to the Non-Executive Directors of the Company up to an amount of RM250,000 from 31 January 2017 until the next Annual General Meeting of the Company.
Please refer to Explanatory Note B (Ordinary Resolution 4)
- To re-elect Mr Boey Tak Kong who retires pursuant to Article 108 of the Company's Articles of Association and being eligible, has offered himself for re-election. (Ordinary Resolution 5)
- To re-elect the following Directors who retire pursuant to Article 113 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
(a) Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican (Ordinary Resolution 6)
(b) Mr Huang Shi Chin (Ordinary Resolution 7)
- To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration. (Ordinary Resolution 8)

AS SPECIAL BUSINESS

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

- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**
"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 does not exceed 10% of the total 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, subject always to the approvals of the relevant regulatory authorities."
Please refer to Explanatory Note C (Ordinary Resolution 9)
- Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and the provision of financial assistance**
"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature and for the provision of financial assistance as set out in Section 2.4 of the Circular to Shareholders dated 29 September 2017 ("Circular") with the related parties listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;
"THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;
(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 ("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 of the Company in a general meeting;
whichever is the earlier;
"AND THAT, the Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/ or authorized by this resolution."
Please refer to Explanatory Note D (Ordinary Resolution 10)
- Continuing In Office As Independent Director – Mr Boey Tak Kong**
"THAT subject to the passing of Ordinary Resolution 5, approval be and is hereby given to Mr Boey Tak Kong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company".
Please refer to Explanatory Note E (Ordinary Resolution 11)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the first and final single tier dividend of 3 sen per share, for the financial year ended 31 May 2017, if approved by the shareholders at the 24th Annual General Meeting, will be paid on 5 December 2017 to Depositors whose names appear in the Record of Depositors at the close of business on 17 November 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 p.m. on 17 November 2017 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

SALLY TAN SEOK CHUNG
Company Secretary

Kuala Lumpur
29 September 2017

NOTES ON APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE

- Only depositors whose names appear in the Record of Depositors as at 1 November 2017 (General Meeting Record of Depositors) be regarded as members and entitled to attend, speak and vote at this meeting.
- A member of the Company entitled to attend, speak and vote at this meeting, is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The Articles provide that a member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing the proxy must be deposited at the office of the Registered Office of the Company at Wisma Gadang, No 52, Jalan Tago 2, Off Jalan Persiaran Utama, Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice shall be put to vote by way of poll.

EXPLANATORY NOTES

- Audited Financial Statements for the financial year ended 31 May 2017**
The audited financial statement are for discussion only under Agenda 1, as it does not require shareholders' approval under the provision of Section 340(1) (a) of the Companies Act, 2016. Hence, it will not be put for voting.
- Ordinary Resolutions 2, 3 and 4 – Directors' Fees and Benefits**
Pursuant to Section 230(1) of the Companies Act 2016, which came into force on 31 January 2017, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.
The proposed Ordinary Resolution 2, if passed, will authorize the payment of Directors' fees to the Non-Executive Directors ("NEDs") by the Company.
The proposed Ordinary Resolution 3, if passed, will authorize the payment of Directors' fees to the NEDs of the Company on a quarterly basis from 1 June 2017 until 31 May 2018.
The proposed Ordinary Resolution 4, if passed, will authorize the payment of Directors' benefits to the NEDs by the Company. The Directors' benefits of RM250,000 for the period from 31 January 2017 until the next AGM in year 2018 are derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board, Board Committees and general meetings as well as the number of NEDs involved in the meetings and leave passage claims of the NEDs. The meeting attendance allowance for a NED is RM1,000 per meeting. The leave passage claim for a NED is RM15,000 per annum.
- Ordinary Resolution 9 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**
The proposed Ordinary Resolution 9 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act, 2016, obtained from the shareholders at the last Annual General Meeting. The resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued shares of the Company for the time being. 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.
As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 3 November 2016 and which will lapse at the conclusion of this 24th Annual General Meeting.
This mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).
- Ordinary Resolution 10 - Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and for the provision of financial assistance**
The proposed Ordinary Resolution 10 is in relation to the approval of Shareholders' Mandate for Recurrent Related Party Transactions and if passed, will empower the Company and its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature and for the provision of financial assistance which are necessary for Gadang Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
Details relating to Ordinary Resolution 10 are set out in the Circular to Shareholders dated 29 September 2017, which is despatched together with this Annual Report 2017.
- Ordinary Resolution 11 - Continuing In Office As Independent Non-Executive Director**
In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Board of Directors has assessed the independence of Mr Boey Tak Kong who has served as Independent Non-Executive Director for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-
(a) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to provide check and balance and bring an element of objectivity to the Board.
(b) His broad-based experience in the financial management, internal audit and corporate affairs has been contributing to the Group in matters of internal control and risk management.
(c) Having been with the Company for more than nine years, he is familiar with the Group's business goals and has devoted sufficient time to discharge his statutory duty and fiduciary responsibility.
(d) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and has carried out his professional duty in the interest of the Company and shareholders.
The proposed Ordinary Resolution 11, if passed, will authorize Mr Boey Tak Kong to continue in office as an Independent Non-Executive Director of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no Director standing for election at the 24th Annual General Meeting of the Company.