



SPRING GALLERY BERHAD

(Company No. 504718-U)
(Incorporated in Malaysia)

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting ("AGM") of Spring Gallery Berhad ("the Company") will be held at Greens 2, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 27 November 2017, at 9.00 a.m., for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- To receive the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 30 June 2017. **(Please refer to Explanatory Note A)**
- To approve the payment of Directors' fees of not exceeding RM450,000.00 for the financial year ending 30 June 2018 which is payable quarterly in arrears. **(Resolution 1)**
- To approve the payment of Directors' benefits of up to RM30,000.00 to the Directors of the Company for the period commencing from 31 January 2017 up to the next Annual General Meeting. **(Resolution 2)**
- To re-elect Datuk Lim Chaing Cheah, as Director who retire in accordance with Article 91 of the Company's Articles of Association and being eligible, have offered himself for re-election. **(Resolution 3)**
- To re-elect the following Directors who retire in accordance with Article 96 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - Mr. Lim Mun Shung (Melvin) **(Resolution 4)**
 - Mr. Tan Ooi Jin **(Resolution 5)**
- To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions with or without modifications:-

- Ordinary Resolution 1** **(Resolution 7)**

Authority to Issue New Shares pursuant to the Companies Act, 2016

"THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may deem fit PROVIDED THAT the aggregate number of new shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total issued share capital of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

- Ordinary Resolution 2** **(Resolution 8)**

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") ("Proposed New Shareholders' Mandate")

"THAT subject always to the provisions of the Companies Act 2016 ("the Act"), the Articles of Association of the Company and Bursa Malaysia Securities Berhad Main Market Listing Requirements, a shareholders' mandate be and is hereby granted to Million Rich Development Sdn. Bhd. ("MRDSB"), a wholly-owned subsidiary of the Company to enter into any category of recurrent related party transactions as stated in Section 2.5 of the Circular to Shareholders dated 30 October 2017, which are necessary for MRDSB's day-to-day operations on terms not more favourable to BW Lim International Sdn. Bhd., the related party than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until:-

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

SPRING GALLERY BERHAD

CHUA SIEW CHUAN (MAICSA 0777689)

TAN KOK SIONG (LS 0009932)

Company Secretaries

Kuala Lumpur

30 October 2017

NOTES:

- Only depositors whose names appear in the Record of Depositors as at 20 November 2017 are entitled to attend, speak and vote at the meeting.
- Where a member/ICPS holder of the Company is entitled to attend at the meeting is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares/ICPS of the Company standing to the credit of the said Securities Account.
- Where a member/ICPS holder of the Company is an exempt authorised nominee which holds ordinary shares/ICPS 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 it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.
- Where a member/ICPS holder or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings/ICPS holdings to be represented by each proxy must be specified in the instrument appointing the proxies failing which, the appointment(s) shall be invalid.
- A proxy may but need not be a member/ICPS holder of the Company. If the proxy is not a member/ICPS holder, the proxy need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia.
- The instrument appointing a proxy or proxies, in the case of an individual, shall be signed by the appointer or his/her attorney and in the case of a corporation, either under seal or under the hand of a duly authorised officer or attorney.
- To be valid, the instrument appointing a proxy or proxies shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

Explanatory Notes:-

- Item 1 of the Agenda**
This Agenda item is meant for discussion only, as the provision of Section 340(1) 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.
- Item 4 of the Agenda**
Datuk Lim Chaing Cheah has offered himself for re-election at the 17th AGM.
Mr. Tang Nai Soon has indicated that he does not wish to seek for re-election. Hence, he will be retired at the conclusion of the 17th AGM of the Company.
- Item 7 of the Agenda**
The proposed Resolution 7 is to renew the general mandate obtained from the shareholders at the last AGM of the Company held on 11 November 2016 (the "General Mandate") and if passed, would provide flexibility to the Directors to undertake fund raising activities including but not limited to further placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
As at the date of this Notice, no new shares of the Company were issued pursuant to the mandate granted to the Directors at the Sixteenth AGM which will lapse at the conclusion of the Seventeenth AGM.
- Item 8 of the Agenda**
The proposed adoption of Ordinary Resolution 8 is to obtain the shareholders' mandate to enable MRDSB, a wholly-owned subsidiary of the Company to enter into the RRPTs to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified class of related party, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the shareholders on terms 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. Further information on the Proposed New Shareholders' Mandate for RRPTs are set out in the Circular to Shareholders of the Company which is despatched together with the Company's 2017 Annual Report.