



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the TWENTY SIXTH ANNUAL GENERAL MEETING ("AGM") of the Company will be held at EG INDUSTRIES BERHAD, Lot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah on Monday, 27 November 2017 at 11:30 a.m. for the following purposes:-

### AGENDA

#### As Ordinary Business:-

- To receive the Audited Financial Statements for the year ended 30 June 2017 and the Reports of the Directors and the Auditors thereon. Resolution 1
- To approve the payment of Directors' Fees of RM130,000.00 for the year ended 30 June 2017. Resolution 2
- To re-elect the following Directors retiring in accordance with Article 98(1) of the Company's Articles of Association:-
  - Mr. Lim Sze Yan Resolution 3
  - Mr. Terence Tea Yeok Kian Resolution 4
- To re-appoint Messrs UHY as auditors and to authorise the Directors to fix their remuneration. Resolution 5

#### As Special Business:-

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

- Retention of Independent Director Resolution 6  
"That Mr. Ang Seng Wong be hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."
- To authorise the allotment and issuance of shares pursuant to Sections 75 and 76 of the Companies Act, 2016 Resolution 7  
"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit and in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed 10% of the total number of shares issued 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 that such authority shall continue to be in force until the conclusion of the next AGM of the Company."
- Proposed Renewal of Authority for the Company to purchase its own ordinary shares Resolution 8  
("Proposed Renewal of Share Buy-Back")  
"THAT subject to the provisions of the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("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 allocate the maximum amount of funds not exceeding the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) for the purpose of purchasing such amount of ordinary shares in the Company ("the Shares") on the stock market of Bursa Securities at any time as may be determined by the Directors of the Company provided that the aggregate number of the Shares which may be purchased and/or held by the company shall not exceed ten per centum (10%) of the total number of issued shares of the Company."  
THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-
  - the conclusion of the next AGM at which time the authority will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed; or
  - the expiration of the period within which the next AGM after that date is required by law to be held; or
  - revoked or varied by an ordinary resolution of the Company's shareholders in a general meeting,

whichever occurs the earliest, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and do all acts and deeds and to execute, sign and deliver on behalf of the Company all necessary documents to give full effect to and for the purpose of completing or implementing the Share Buy-Back in the manner set out in the Statement, which would include the maximum funds to be allocated by the Company for the purpose and that following completion of the Share Buy-Back, the power to cancel or retain as treasury shares, any or all of the shares so purchased, resell on Bursa Malaysia Securities Berhad or distribute as dividends to the Company's shareholders or subsequently cancel, any or all of the treasury shares, with full power to assent to any condition, revaluation, modification, variation and/or amendment in any manner as may be required by any relevant authority or otherwise as they seem fit in the best interest of the Company."

- Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT") Resolution 9  
"THAT, subject always to the provisions of the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other regulatory authorities, the authority be and is hereby given for SMT Technologies Sdn Bhd to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business which are necessary for the day-to-day operations as set out in Section 2.4 of the Company's Circular to Shareholders dated 31 October 2017 ("Circular") on terms not more favourable to 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 AGM of the Company following the AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed;
  - the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT, the Directors of the Company be and are hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions authorised by this resolution.

- To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

By Order of the Board

CHAI CHURN HWA (MAICSA 0811600)

Company Secretary

Penang

31 October 2017

### NOTES:

- Only members of the Company whose names appear in the Record of Depositors as at 17 November 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 26<sup>th</sup> AGM of the Company or to appoint proxy(ies) to attend and vote on the member's behalf.
- To be valid, the original signed and/or sealed Proxy Form must be deposited at the registered office of the Company at Suite 18.01, 18<sup>th</sup> Floor, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 Penang not less than forty-eight (48) hours before the time fixed for holding the AGM or any adjournment thereof.
- A member of the Company is entitled to appoint not more than two (2) proxies to attend, vote and speak on such member's behalf.
- Where a member appoints more than one (1) proxy to attend and vote at the AGM, the appointment shall be invalid unless the member specifies in the Proxy Form the proportion of the shareholdings to be represented by each proxy.
- If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney duly authorised in writing.
- Where a member 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 it may appoint in respect of each Omnibus Account it holds.
- Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 26<sup>th</sup> AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling/e-polling process and verify the results of the poll.
- Explanatory notes on Special Business Resolution 6

- To retain Mr. Ang Seng Wong as an Independent Non-Executive Director of the Company

Mr. Ang Seng Wong is currently the Senior Independent Non-Executive Director of our Company who has served on our Board since 30 January 2009. His tenure of office as an Independent Non-Executive Director of the Company will be nine (9) years cumulatively by 30 January 2018. In applying the recommendation under the Malaysian Code of Corporate Governance 2012, the Board has assessed and with the recommendation of the Nomination Committee would strongly recommend to the members of the Company to vote in favour of the resolution for Mr. Ang Seng Wong to continue to act as an Independent Non-Executive Director.

The Board is satisfied that Mr. Ang Seng Wong has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The length of his service does not interfere with his ability and exercise of independent judgment as Independent Director. Therefore, the Board has recommended that the approval of the shareholders be sought for him to continue to act as the Senior Independent Non-Executive Director of the Company.

#### Resolution 7

- To authorise the allotment and issuance of shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed resolution is a renewal of the previous year mandate and if passed, will authorize the Directors of the Company to issue shares up to a maximum ten per cent (10%) of the issue share capital of the company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM.

The renewal of this mandate would provide flexibility to the Company for any possible fund raising exercise, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions. This authority is to avoid any delay and cost involved in convening a general meeting to approve such issuance of shares.

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the AGM of the Company until the latest practicable date before the printing of this Annual Report. The Mandate will expire on 27 November 2017. A renewal of this authority is being sought at the 26<sup>th</sup> AGM.

#### Resolution 8

- Proposed Renewal of Authority for the Company to purchase its own ordinary shares ("Proposed Renewal of Share Buy-Back")

The Share Buy-Back will enable the Company to utilize its surplus financial resources to purchase its own shares, when appropriate, and at prices which the Board views as favourable. In addition, the Share Buy-Back is also expected to stabilize the supply and demand of the Company's shares in the open market and thereby supporting its fundamental value. Please refer to the Statement to Shareholders dated 31 October 2017.

#### Resolution 9

- Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT")

The proposed Resolution is in relation to the Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, if passed will give the power to the Group to transact with the parties related to the Group. Please refer to Section 2.4 of the Circular to Shareholders dated 31 October 2017.