



Notice of 2nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting of MCE Holdings Berhad will be held at the Hop Sing II Hall, Ponderosa Golf & Country Club, No.3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Wednesday, the 20th day of December, 2017 at 9.30 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 July 2017 ('FY2017') together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 1)**
- To re-elect DR GOH KAR CHUN, a Director retiring by rotation pursuant to Article 76 of the Company's Constitution. **Ordinary Resolution 1**
- To appoint Crowe Horwath as Auditors of the Company for the year ending 31 July 2018 ('FY2018') and to authorise the Directors to fix their remuneration. **Ordinary Resolution 2**

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION

- PROPOSED DIRECTORS' FEE (FY2017)
"THAT the payment of Directors' Fees of RM227,000 for the financial year ended 31 July 2017 be and is hereby approved."
Ordinary Resolution 3 (See Explanatory Note 9)
ORDINARY RESOLUTION
- PROPOSED DIRECTORS' FEE (FY2018)
"THAT the payment of Directors' Fees of RM226,000 for the financial year ending 31 July 2018 payable quarterly in arrears after each month of completed service of the Directors during the financial year be and is hereby approved."
Ordinary Resolution 4 (See Explanatory Note 10)
ORDINARY RESOLUTION
- APPROVAL OF DIRECTORS' BENEFIT
"THAT the payment of Directors' Benefit amounting to RM23,500 for the period commencing from 31 January 2017 up to the date of this Annual General Meeting be and is hereby approved and ratified."
Ordinary Resolution 5 (See Explanatory Note 11)
ORDINARY RESOLUTION
- PROPOSED DIRECTORS' BENEFIT
"THAT the payment of Directors' Benefit amounting to RM30,500 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting be and is hereby approved."
Ordinary Resolution 6 (See Explanatory Note 11)
ORDINARY RESOLUTION
- PROPOSED RE-APPOINTMENT OF ENCIK SHAMSUDIN @ SAMAD BIN KASSIM
"THAT Encik Shamsudin @ Samad Bin Kassim be and is hereby re-appointed as a Director of the Company."
Ordinary Resolution 7 (See Explanatory Note 12)
ORDINARY RESOLUTION
- PROPOSED RETENTION OF INDEPENDENT DIRECTORS
 - "That Mr Tai Lam Shin who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as Independent Director of the Company." **Ordinary Resolution 8 (See Explanatory Note 13)**
 - That subject to the passing of Ordinary Resolution 7, Encik Shamsudin @ Samad Bin Kassim who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as Independent Director of the Company." **Ordinary Resolution 9 (See Explanatory Note 13)**
- To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act, 2016.

BY ORDER OF THE BOARD

LEE WEE HEE (MAICSA 0773340)
POW JULIET (MAICSA 7020821)
Secretaries

Date : 28 November 2017

NOTE :

- This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.
- Pursuant to Section 334 of the Companies Act, 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- A member may appoint more than one (1) proxy to attend the meeting provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
- A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of him at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- Where a member is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one 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 instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- To be valid, the form of proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than 48 hours before the time for holding the meeting or any adjournment thereof or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 14 December 2017, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Statement Regarding Effect of Resolutions under Special Business

- Proposed Directors' Fees (FY2017)**
The Proposed Ordinary Resolution 3, if passed, will authorise the payment of Directors' fees pursuant to Article 84 of the Constitution of the Company.
- Proposed Directors' Fees (FY2018)**
The Proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors' fees pursuant to Article 84 of the Constitution of the Company on a quarterly basis in arrears after each month of completed service of the Directors for the financial year ending 31 July 2018.
The Nomination and Remuneration Committee had reviewed the existing practice of payment of Directors' fees and taken consideration of the trend adopted by other listed issuers to pay Directors' fees on a current basis after completion of their tenure on a quarterly basis. This is viewed as more fair and equitable to the Directors, in particular the non-executive Directors compared to the current practice of paying Directors' fees on an accrued basis.
- Proposed Directors' Benefit**
The Proposed Ordinary Resolution 5, if passed, will approve and ratify the payment of Directors' benefits comprised of allowances pursuant to the requirements of Section 230 of the Companies Act, 2016 for the period commencing from 31 January 2017 up to the date of this Annual General Meeting.
The Proposed Ordinary Resolution 6, if passed, will authorise and approve of the payment of Directors' benefits comprised of allowances pursuant to the requirements of Section 230 of the Companies Act, 2016 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting.
- Proposed Re-appointment of Encik Shamsudin @ Samad Bin Kassim**
The Proposed Ordinary Resolution 7 in Agenda 8 is to seek shareholders' approval on the re-appointment of Encik Shamsudin @ Samad Bin Kassim who had been re-appointed in the previous Annual General Meeting held on 20 December 2016 as Director under Section 129(6) of the Companies Act, 1965 which was then in force and whose term would expire at the conclusion of this meeting as Director of the Company. If passed, the Proposed Ordinary Resolution 7 will authorise the continuation of the Director in office from the date of this Annual General Meeting onwards.
- Proposed Retention of Independent Directors**
The Proposed Ordinary Resolutions 8 and 9 in Agenda 9, if passed, will allow Mr Tai Lam Shin and Encik Shamsudin @ Samad Bin Kassim to be retained and continue acting as Independent Directors to fulfill the requirements of Paragraph 3.04 of Bursa Malaysia's Main Market Listing Requirements and in line with the recommendation No 3.2 of the Malaysian Code of Corporate Governance 2012. The full details of the Board's justification and recommendations for the retention of Mr Tai Lam Shin and Encik Shamsudin @ Samad Bin Kassim as Independent Directors are set out on page 14 and page 15 of the Board's Corporate Governance Statement in the 2017 Annual Report.

Voting by Poll

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this notice is to be voted by poll.