

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the Seventh (7th) Annual General Meeting of MSM Malaysia Holdings Berhad ("MSM" or "the Company") will be held at the Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia on Tuesday, 26 June 2018, at 11:00 a.m., or any adjournment thereof, for the transaction of the following business:

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note 1
- To approve the payment of Directors' fees amounting to RM1,342,867.00 in respect of the financial year ended 31 December 2017. (Resolution 1)
Please refer to Explanatory Note 2
- To approve the payment of a portion of Directors' fees payable to the Non-Executive Directors up to an amount of RM840,000.00 from 27 June 2018 until the next Annual General Meeting of the Company to be held in 2019. (Resolution 2)
Please refer to Explanatory Note 3
- To approve the payment of benefits payable to the Non-Executive Directors based on the remuneration structure as disclosed in Explanatory Note 4 for the period from 27 June 2018 until the next Annual General Meeting of the Company to be held in 2019. (Resolution 3)
Please refer to Explanatory Note 4
- To re-elect the following Directors who retire by rotation in accordance with Article 93 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
i) Dato' Rosini Abd Samad (Resolution 4)
ii) Datuk Hanapi Suhada (Resolution 5)
Please refer to Explanatory Note 5
- To re-elect the following Directors who retire by rotation in accordance with Article 99 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
i) Datuk Wira Azhar Abdul Hamid (Resolution 6)
ii) Dato' Khairi Anuar Aziz (Resolution 7)
Please refer to Explanatory Note 6
- To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Board of Directors to determine their remuneration. (Resolution 8)
Please refer to Explanatory Note 7

As Special Business

To consider and if thought fit, to pass the following as Special Resolution:

- PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY** (Resolution 9)
"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association (now known as the Constitution pursuant to the Companies Act, 2016) of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Circular to the Shareholders dated 23 April 2018 ("Constitution Circular") be hereby approved for adoption as the Constitution of the Company in substitution for and to the exclusion of all the existing Memorandum and Articles of Association thereof.

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be considered necessary and to assent to any modification, variation and/or amendment as may be required by the relevant authorities, to give full effect to the foregoing."
Please refer to Explanatory Note 8 on Special Business

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

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR MSM HOLDINGS AND ITS GROUP OF COMPANIES ("MSM HOLDINGS GROUP") AND PROPOSED SHAREHOLDERS' MANDATE FOR THE NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE MSM HOLDINGS GROUP** (Resolution 10)
"THAT, subject always to the Companies Act, 2016 ("Act"), the Memorandum and Articles of Association (now known as the Constitution pursuant to the Act) of MSM Holdings, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulatory authorities (where applicable), approval be and is hereby given to the Company and its subsidiaries to enter into all arrangements and/or transactions involving the interests of the related parties as specified in Appendix I of the Circular to the Shareholders dated 23 April 2018 ("RRPT Circular"), provided that such arrangements and/or transactions are:
(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
(iv) not detrimental to the minority shareholders of the Company;

("Proposed Mandates");

AND THAT the Proposed Mandates shall commence immediately upon passing of this ordinary resolution and continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which time the Proposed Mandates will lapse, unless the Proposed Mandates are renewed by a resolution passed at the next AGM of the Company; or
- the expiration of the period within which the next AGM is required by law to be held; or
- the Proposed Mandates are revoked or varied by a resolution passed by the Shareholders of the Company in a general meeting of the Company,

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and/or its subsidiaries 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 such transactions as authorised by this resolution and the Proposed Mandates."
Please refer to Explanatory Note 9 on Special Business

- AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016** (Resolution 11)

"THAT, pursuant to Section 75 of the Companies Act, 2016 and subject always to the Company's Articles of Association, the Listing Requirements and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time 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 allotted and issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company as at the date of such allotment **AND THAT** the Directors be and are also hereby authorised to obtain all necessary approvals from the relevant authorities 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."
Please refer to Explanatory Note 10 on Special Business

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

BY ORDER OF THE BOARD

KOO SHUANG YEN (MIA 7556)

Company Secretary
Kuala Lumpur
23 April 2018

NOTES :

1. Proxy

- A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. **Where a member appoints more than one (1) proxy, to attend, participate, speak and vote at the same meeting, each proxy appointed shall represent a minimum of 100 shares and such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.**
- Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.
- Where an exempt authorized nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy.
- The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan no later than Monday, 25 June 2018 at 1:00 p.m., and in default the instrument of Proxy shall not be treated as valid.

2. Members entitled to attend

For purposes of determining a member who shall be entitled to attend the 7th AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Article 58 of the Company's Articles of Association and Section 34(1) of SICDA, to issue a General Meeting Record of Depositors as at 12 June 2018. **Only a depositor whose name appears on the General Meeting Record of Depositors as at 12 June 2018 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) to attend, speak and/or vote on their behalf.**

3. Registration of Members/Proxies

Registration of members/proxies attending the meeting will start at 8:30 a.m. on the day of the meeting and will remain open until such time as may be determined by the Chairman of the meeting. Members/proxies are required to produce original MyKad or valid passport for registration and requested to be punctual as the registration for attendance will be closed to facilitate the commencement of poll voting.

4. Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all resolutions set out in the Notice of the 7th AGM of MSM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling via e-voting process and to verify the results of the poll.

EXPLANATORY NOTES ON ORDINARY BUSINESS :

Explanatory Note 1:

Audited Financial Statements for the Financial Year Ended 31 December 2017

This agenda item is meant for presentation and discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016 ("Act") and Article 130 of the Company's Articles of Association, the Audited Financial Statements does not require the final approval of shareholder and hence, will not be put for voting.

Explanatory Note 2:

Resolution 1 – Payment of Directors' Fees for the Financial Year Ended 31 December 2017

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 7th AGM on the Directors' remuneration in three (3) separate resolutions as below:

- Resolution 1** on payment of Directors' fees in respect of the preceding year 2017;
- Resolution 2** on payment of a portion of Directors' fees payable to the Non-Executive Directors from 27 June 2018 until the next AGM of the Company in 2019 ("Relevant Period"); and
- Resolution 3** on payment of benefits payable to the Non-Executive Directors in respect of the Relevant Period.

The Non-Executive Directors' annual fees structure are set out in the table below:

Board/Board Committee	Annual Fees (RM)	
	Chairman	Directors
Board	315,000	120,000
Audit Committee	24,000	12,000
Other Board Committees:	10,000	8,000
- Nomination and Remuneration Committee		
- Board Governance and Risk Management Committee		
- Investment Committee		

Please refer to page 159 of the Notes to the Financial Statements in the 2017 Annual Report for the amount of Directors' fees at the Company and Group levels, to be approved at this AGM under Ordinary Resolution 2. The detailed amount of the Directors' fees is set out in the Corporate Governance Overview Statement on page 087 of the 2017 Annual Report.

Explanatory Note 3:

Resolution 2 – Directors' Fees Payable to the Non-Executive Directors

The proposed Ordinary Resolution 2, if passed, will allow the Company to pay a portion of Directors' fees of RM20,000.00 per month to the Non-Executive Chairman and RM5,000.00 per month to the Non-Executive Directors for the Relevant Period.

Explanatory Note 4:

Resolution 3 – Benefits Payable to the Non-Executive Directors

The Company is seeking shareholders' approval on the benefits payable to the Non-Executive Directors for the Relevant Period in accordance with the remuneration structure (excluding Directors' fees) set out below:

Meeting Allowance	• Board and Board Committee meetings: RM2,000 per attendance
Benefits	• Company car (Chairman only): one (1) Company car of at least 2000cc • Driver allowance: not more than RM2,500 per month • Security services allowance: not more than RM2,500 per month • Medical expenses, insurance coverage, travelling expenses and other claimable benefits

Payment of the benefits payable will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Ordinary Resolution 3 is passed at the 7th AGM. The Board is of the view that it is just and equitable for the Directors to be paid benefits payable on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period.

Explanatory Note 5:

Resolution 4 & 5 – Re-election of Directors who retire in accordance with Article 93 of the Company's Articles of Association

Article 93 of the Company's Articles of Association states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office. In addition, all Directors shall retire from office at least once every three years. A retiring Director shall be eligible for re-election.

The Nomination and Remuneration Committee has recommended and the Board has approved the Directors to stand for re-election.

The independence of Dato' Rosini Abd Samad, who has served as Independent Non-Executive Directors of the Company has been assessed by the Nomination and Remuneration Committee and also affirmed by the Board to continue to act as Independent Non-Executive Directors of the Company. Dato' Rosini Abd Samad, who is standing for re-election has not exceeded the nine (9) years tenure as Independent Directors.

Explanatory Note 6:

Resolution 6 & 7 – Re-election of Directors who retire in accordance with Article 99 of the Company's Articles of Association

Article 99 of the Company's Articles of Association stipulates that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Datuk Wira Azhar Abdul Hamid and Dato' Khairi Anuar Aziz, who were appointed during the financial year, have successfully completed their Mandatory Accreditation Programmes pursuant to the provision of the MMLR.

Explanatory Note 7:

Resolution 8 – Re-appointment of Auditors

The present Auditors, Messrs. PricewaterhouseCoopers PLT ("PwC"), have indicated their willingness to continue their services for another year. The Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and have collectively agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

Abstention from Voting

- All the Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 1, 2 and 3 concerning Directors' Fees and benefits payable at the 7th AGM.
- The Directors referred to in Ordinary Resolutions 4, 5, 6 and 7 who are shareholders of the Company will abstain from voting on the resolution in respect of her/his re-election at the 7th AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Explanatory Note 8:

Resolution 9 – Proposed Adoption of the New Constitution of the Company

The proposed Resolution 9 (Special Resolution), if passed, will bring the Company's Constitution in line with the enforcement of the Companies Act, 2016 and will enhance administrative efficiency. The proposed new Constitution is set out in the Circular to Shareholders dated 23 April 2018 accompanying the Company's Annual Report 2017.

Explanatory Note 9:

Resolution 10 – Proposed Renewal of Shareholders' Mandate ("Proposed Mandates") for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 10, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Detailed information on the Proposed Mandates is set out in the Circular to Shareholder dated 23 April 2018.

Explanatory Note 10:

Ordinary Resolution 11 – Authority to Directors to Allot and Issue Shares

The proposed Ordinary Resolution 11 is a new general mandate to be obtained from the Shareholders of the Company at this AGM and, if passed, will empower the Directors pursuant to Section 75 of the Companies Act, 2016 to allot and issue ordinary shares in the Company of up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company as at the date of such allotment of shares without having to convene a general meeting.

This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company. The general mandate from shareholders is to provide the Company flexibility to undertake any share issuance during the financial year without having to convene a general meeting.

The rationale for this proposed mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on an urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

