

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 24th Annual General Meeting of the Company will be held at Belian Room, 7th Floor, Promenade Hotel, Eastern Plaza, Mile 1, Jalan Kuhara, 91000 Tawau, Sabah, on Monday, 21 May 2018 at 11:30 am to transact the following business:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Notes (a) Resolution 1**
- To declare a final single tier dividend of 3 sen per ordinary share in respect of the financial year ended 31 December 2017; **Resolution 2**
- To approve the payment of Directors' fees of RM252,000 for the Group for the financial year ended 31 December 2017; **Resolution 3**
- To approve the payment of Directors' fees for the Group of an amount up to but not exceeding RM600,000 from 1 January 2018 until the next Annual General Meeting of the Company; **Resolution 4**
- To approve the payment of Directors' allowances and benefits for the Group of an amount up to but not exceeding RM80,000 from 1 January 2018 until the next Annual General Meeting of the Company; **Resolution 5**
- To re-elect the following directors, retiring pursuant to Article 90 of the Company's Constitution: **Resolution 6**
(a) Encik Lim Fook Hin
(b) Puan Hajah Ainahwati Binti Abd Sani
- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

ORDINARY RESOLUTION

Proposed Retention of Datuk Hj. Majin Hj. Ajing as an Independent Non-Executive Director **Resolution 8**

"THAT Datuk Hj. Majin Hj. Ajing who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years to continue to act as an Independent Non-Executive Director of the Company until the next Annual General Meeting."

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

ORDINARY RESOLUTION

Proposed Retention of Datuk Jaswant Singh Kler as an Independent Non-Executive Director **Resolution 9**

"THAT Datuk Jaswant Singh Kler who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years to continue to act as an Independent Non-Executive Director of the Company until the next Annual General Meeting."

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

ORDINARY RESOLUTION

Authority to Issue Shares Pursuant to Section 76 of the Companies Act 2016 **Resolution 10**

"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from the relevant statutory and regulatory authorities, where such approvals are necessary, full authority be and is hereby given to the Directors pursuant to Section 76 of the Companies Act 2016, to issue shares in the Company from time to time at such price 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 pursuant to this Resolution does not exceed 10% of the total number of issued share in the Ordinary Share Capital of the Company for the time being and that the Directors be and are empowered to obtain the approvals from Bursa Malaysia Securities Berhad for the listing and quotation of the additional new ordinary shares to be issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

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

ORDINARY RESOLUTION

Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **Resolution 11**

"THAT approval be and is hereby given, for the Renewal of the Existing Shareholders' Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2(a) of the Circular to Shareholders dated 23 April 2018 with the related parties described therein provided such transactions are necessary for the day to day operations, carried out in the normal course of business, at arm's length, on normal commercial 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;

AND THAT a New Shareholders' Mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2(b) of the Circular to the Shareholders dated 23 April 2018 with the related parties described therein provided such transactions are necessary for the day to day operations, carried out in the normal course of business, at arm's length, on normal commercial 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;

AND THAT such approval shall continue to be in force until:

- the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("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 a resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do such acts and things as may be required by the relevant authorities (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. "

- To transact any other business of the Company of which due notice shall have been given to the Company in accordance with the Company's Constitution and the Act.

GENERAL MEETING RECORD OF DEPOSITORS

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 24th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 62(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 14 May 2018. Only a depositor whose name appears on the Record of Depositors as at 14 May 2018 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single tier dividend of 3 sen per ordinary share for the financial year ended 31 December 2017, if approved by the shareholders at the forthcoming Annual General Meeting will be paid on 20 June 2018 to depositors registered in the Record of Depositors at the close of business on 25 May 2018.

A depositor shall qualify for entitlement only in respect of:-

- Shares transferred into the depositor's securities account before 4.00 pm on 25 May 2018 in respect of transfers; and
- Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

Dorothy Luk Wei Kam (MAICSA7000414)

Chan Ai Hoon (LS0000393)

Company Secretaries

Kota Kinabalu, Sabah

Dated: 23 April 2018

NOTES

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- A member shall be entitled to appoint one (1) but not more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies to attend and vote instead of him at the same meeting, the appointment shall be invalid unless he specified the proportions of his holdings to be represented by each proxy.
- 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 appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy shall be deposited at the Registered Office of the Company at 6th Floor, Menara Tun Mustapha, Likas Bay, 88400 Kota Kinabalu, Sabah, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

- they have actively participated in Board deliberations, provided objectivity in decision making and an independent voice to the Board;
- they have devoted sufficient time and attention to their responsibility as Independent Non-Executive Directors of the Company; and
- they have exercised due care in the interest of the Company and shareholders during their tenure as Independent Non-Executive Directors of the Company.

In accordance with Practice 4.2 of the Malaysian Code on Corporate Governance, the retention of an independent director who has served the Company for a cumulative term of more than 12 years as an independent director is subject to shareholders' approval via a two-tier voting process.

(c) Authority to Issue Shares pursuant to Section 76 of the Companies Act 2016

The proposed Resolution 10, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued share in the Share Capital of the Company for the time being. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders on 23 May 2017. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

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

The proposed Resolution 11, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties provided that such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Shareholders are directed to refer the Circular to Shareholders dated 23 April 2018 for more information.

EXPLANATORY NOTES

(a) Audited Financial Statements for Financial Year Ended 31 December 2017

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, it will not be put forward for voting.

(b) Proposed Retention of Independent Non-Executive Director

In relation to the proposed Resolution 8 and 9, the Nomination Committee has assessed the independence of Datuk Hj. Majin Hj. Ajing and Datuk Jaswant Singh Kler who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and more than nine (9) years respectively, and recommended that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- they have fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- they have ensured check and balance in the proceedings of the Board and the Board committees;