

CNI HOLDINGS BERHAD

(Company No. 181758-A)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of CNI Holdings Berhad (“CNI” or “the Company”) will be held at Diamond Hall, First Floor, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 31 May 2018 at 11.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. Refer to Explanatory Note 1
2. To re-elect Mr. Koh How Loon who retires by rotation in accordance with Article 91 of the Company’s Constitution, and being eligible, offers himself for re-election. **Resolution 1**
3. To note that En. Zulkifli bin Mohamad Razali who retires by rotation in accordance with Article 91 of the Company’s Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the close of the Annual General Meeting of the Company.
4. To re-elect Mr. Yee Kee Bing who retires in accordance with Article 96 of the Company’s Constitution, and being eligible, offers himself for re-election. **Resolution 2**
5. To approve the payment of Directors’ fees amounting to RM452,502 in respect of the financial year ended 31 December 2017. **Resolution 3**
6. To approve the payment of benefits payable to the Non-Executive Directors of the Company up to an amount of RM80,000 from 1 January 2018 until the next Annual General Meeting of the Company. **Resolution 4**
7. To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Directors. **Resolution 5**

SPECIAL BUSINESS

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

8. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 6**

“THAT authority be and is hereby given to Mr. Lim Lean Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2017.”
9. **AUTHORITY TO ISSUE SHARES** **Resolution 7**

“THAT, subject always to the Companies Act, 2016, the Company’s Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act, 2016, to issue shares in the Company from time to 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 issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain 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 Annual General Meeting of the Company.”

10. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

Resolution 8

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Part A of the Circular to Shareholders dated 30 April 2018, provided that such transactions are undertaken in the ordinary course of business, on arm’s length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;

THAT such approval shall continue to be in force until the earlier of:

- a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next Annual General Meeting;
- b) the expiration of the period within which the next Annual General Meeting 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
- c) such approval is revoked or varied by resolution passed by the shareholders in a general meeting before the next Annual General Meeting;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders’ Mandate.”

11. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

Resolution 9

“THAT, subject always to the Companies Act, 2016, the Company’s Constitution and the Main Market 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 purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interests of the Company, provided that:

- a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s);
- b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest

management accounts of the Company (where applicable) available at the time of the purchase(s); and

- c) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

CHIN YOKE KWAI (MAICSA 7032000)

Company Secretary

Shah Alam

30 April 2018

NOTES:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 25 May 2018 (“General Meeting Record of Depositors”) shall be eligible to attend the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
3. *A proxy may but does not need not be a member of the Company and if not a member he need not be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.*
4. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its attorney duly authorised.*
5. *Where a member of the Company 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 which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy must be deposited at the Company’s registered office at Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*
7. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll.*

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016, are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.

2. Ordinary Resolution 4 – Directors' benefits payable

The proposed Directors' benefits payable (excluding Directors' fees) comprises allowance and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings for the current financial year ending 31 December 2018 until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

3. Ordinary Resolution 5 – Re-appointment of Auditors

The Board and Audit Committee of the Company are satisfied with the quality of service, adequacy of resources provided, communication, interaction skills and independence, objectivity and professionalism demonstrated by the external auditors in carrying out their functions. Being satisfied with the external auditors' performance, the Board recommends their re-appointment for shareholders' approval.

4. Ordinary Resolution 6 - Retention of Independent Non-Executive Director

The Board through the Nomination Committee (NC), has determined that Mr. Lim Lean Eng is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and the decision making process as a whole. He also possesses vast experience and brings the right mix of skills to the Board. The Board therefore, endorsed the NC's recommendation for him to be retained as Independent Director.

5. Ordinary Resolution 7 – Authority to Issue Shares

This is the renewal of the mandate obtained from the members at the last Annual General Meeting which was not utilised and accordingly no proceeds were raised.

The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising exercises, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/or acquisition, by the issuance of shares in the Company to such person at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

6. Ordinary Resolution 8 – Proposed Shareholders' Mandate

The proposed resolution, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Circular to Shareholders dated 30 April 2018 for further information.

7. Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the aggregate of the retained profits of the Company.

Based on the Audited Financial Statements of the Company as at 31 December 2017, the Company's retained profits amounted to RM24,712,075.

Please refer to the Share Buy-Back Statement dated 30 April 2018 for further information.