



FOCUS LUMBER BERHAD
(Company No.: 188710-V)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Focus Lumber Berhad ("**Focus Lumber**") or the "**Company**") to be held at Zara's Boutique Hotel, Harbour City, Jalan Pantai Baru, Sembulan, 88100 Kota Kinabalu, Sabah on Monday, 4 June 2018 at 12.00 p.m. or immediately following the conclusion or adjournment (as the case may be) of the Twenty-Eighth Annual General Meeting of the Company which will be held at 11.00 a.m. on the same day and at the same venue, whichever is the later, or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("SCHEME") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF FOCUS LUMBER (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF THE SCHEME ("PROPOSED ESOS")

"THAT subject to the approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Company to establish and implement an employees' share option scheme of up to 15% of the total number of issued shares of Focus Lumber ("**Focus Lumber Shares**" or "**Shares**") (excluding treasury shares, if any) at any point in time over the duration of the Scheme and the Board of Directors of Focus Lumber ("**Board**") be and is hereby authorised and empowered:

- (i) to implement and administer the Scheme of up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any one time over the duration of the Scheme for the eligible directors and employees of Focus Lumber and its subsidiary(ies) ("**Focus Lumber Group**" or the "**Group**"), which shall be administered by a committee to be appointed and duly authorised by the Board ("**ESOS Committee**") in accordance with the terms and conditions in the draft By-Laws of the Proposed ESOS ("**By-Laws**") as set out in Appendix I of the circular to shareholders of the Company dated 17 May 2018 ("**Circular**");
- (ii) to give full effect to the Scheme with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities;
- (iii) to offer and grant options to subscribe for new Focus Lumber Shares under the Scheme ("**ESOS Options**") as well as to issue and allot such number of new Focus Lumber Shares upon the exercise of the ESOS Options that may be granted under the Scheme, provided that the maximum number of new Focus Lumber Shares which may be made available under the Scheme shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time over the duration of the Scheme, and that the new Focus Lumber Shares to be issued and allotted arising from the exercise of the ESOS Options shall, upon issuance and allotment, rank *pari passu* in all respect with the then existing Focus Lumber Shares, save and except that the new Focus Lumber Shares will not be entitled to any dividends, rights, allotments and/or other form of distribution declared, made or paid to shareholders, for which the entitlement date is prior to the date of allotment of the new Focus Lumber Shares. The new Focus Lumber Shares will be subject to the provisions of the Constitution of the Company relating to transfer, transmission or otherwise;
- (iv) to add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws from time to time, provided that such addition, amendment, modification and/or deletion are permitted and are effected in accordance with the provisions of the By-Laws, and to do all the necessary in order to give full effect to the Proposed ESOS;
- (v) to extend the duration of the Scheme for a period of up to another 5 years or such shorter period immediately from the expiry of the initial 5 years, provided always that such extension of the Scheme made in accordance with the provisions of the By-Laws does not exceed a maximum period of 10 years in its entirety or such longer period as may be allowed by the relevant authorities; and
- (vi) to do all such acts and things, take such steps, execute all such documents, enter into all such arrangements, agreements, deeds and/or undertakings with any party(ies), make such rules or requirements or delegate parts of its power as they may deem fit, necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed ESOS and terms of the By-Laws with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to or required by any relevant authorities or as a consequence of any such requirement as may be deemed necessary and/or expedient and in the best interest of the Company.

THAT the Board be and is hereby authorised to do all the necessary and to make the necessary applications to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for any new Focus Lumber Shares that may thereafter from time to time be issued and allotted pursuant to the Proposed ESOS and to give effect to the Scheme with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary;

AND THAT the By-Laws as set out in Appendix I of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF ESOS OPTIONS TO LIN FONG MING

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Lin Fong Ming, being the Executive Director of the Company, ESOS Options to subscribe for up to 1,500,000 Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**")), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO LIN HAO WEN

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Lin Hao Wen, being the Managing Director of the Company, ESOS Options to subscribe for up to 1,500,000 Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO LIN HAO YU

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Lin Hao Yu, being the Executive Director of the Company, ESOS Options to subscribe for up to 1,500,000

Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATUK AZNAM BIN MANSOR

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Datuk Aznam Bin Mansor, being the Chairman/ Independent Non-Executive Director of the Company, ESOS Options to subscribe for up to 1,200,000 Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO WONG YOKE NYEN

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Wong Yoke Nyen, being the Independent Non-Executive Director of the Company, ESOS Options to subscribe for up to 1,200,000 Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO NG TIAN MENG

"THAT, subject to the passing of Ordinary Resolution 1 above and approval of all relevant regulatory authorities being obtained (where required) for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee at any time and from time to time, to grant Ng Tian Meng, being the Independent Non-Executive Director of the Company, ESOS Options to subscribe for up to 1,200,000 Shares under the Proposed ESOS, subject to the following provisions:

- (i) not more than 10% of the total new Focus Lumber Shares available under the Scheme he, either singly or collectively through persons connected to him (as defined in the Listing Requirements), holds 20% or more of the total number of issued shares of Focus Lumber (excluding treasury shares, if any);
- (ii) he must not participate in the deliberation or discussion of his own allocation on the ESOS Options to be offered to him under the Proposed ESOS; and

subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities, as amended from time to time;

AND THAT the Board is also authorised to issue and allot the corresponding number of new Focus Lumber Shares arising from the exercise of the ESOS Options that may be granted to him under the Scheme."

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
LIEW PUI LING (MAICSA 7058897)
Company Secretaries
Kuala Lumpur

Date: 17 May 2018

NOTES:

- i. A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may, but need not be a member of the Company.
- ii. The instrument appointing a proxy shall be in writing (in the common or usual form) 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.
- iii. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and that where the member appoints two (2) proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- iv. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- v. 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.
- vi. Where the authorised nominee appoints two (2) proxies, or where an exempt authorised 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.
- vii. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- viii. Only the members whose names appear on the Record of Depositors as at 25 May 2018 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.