

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting of the Company will be held at 2.30 p.m., on Thursday, 18 October 2018 at Selangor 1 Ballroom, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 May 2018 together with the Reports of the Directors and Auditors thereon..

(Please refer to Explanatory Note 1)

2. To re-elect the following Directors, who retire pursuant to Article 81 of the Articles of Association of the Company:

- (a) Dato' Johari Razak
- (b) Tan Sri Dato' Seri Abdull Hamid Bin Embong

[Ordinary Resolution 1]

3. To approve the payment of Directors' fees for the financial year ended 31 May 2018.

[Ordinary Resolution 2]

4. To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM120,000 from the date of the forthcoming annual general meeting until the next annual general meeting of the Company.

[Ordinary Resolution 3]

5. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

[Ordinary Resolution 4]

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions with or without modifications:

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Renewal of RRPT Mandate")**

[Ordinary Resolution 5]

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 26 September 2018, provided that such transactions are necessary for day-to-day operations and carried out in the ordinary course of business and at arms-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 interest of the minority shareholders of the Company.

THAT the authority conferred by such mandate shall continue to be in force until:

- (i) 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;
- (ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of RRPT Mandate."

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

[Ordinary Resolution 6]

"THAT subject always to the Companies Act 2016 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company 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 upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company ("Share Buy-Back Mandate") provided that:

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company as at the point of purchase;
- (b) the maximum fund 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 (where applicable) available at the time of the purchase; and
- (c) the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will be effective upon passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting; whichever occurs first.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Share Buy-Back Mandate with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company in accordance with the Act, regulations and guidelines."

8. **AUTHORITY TO ISSUE AND ALLOT SHARES**

[Ordinary Resolution 7]

"THAT subject always to the Companies Act 2016 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental / regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Section 75 of the Act to issue and allot shares in the Company from time to time and upon such terms and conditions, to such persons and for such purposes as the Directors may deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act, AND THAT the Directors be authorised to do all such things as they may deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution."

9. **CONTINUING IN OFFICE AS INDEPENDENT DIRECTORS**

- (i) "THAT authority be and is hereby given to Tan Sri Dato' Dr Lin See Yan, who has served as an Independent Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as an Independent Director of the Company."
- (ii) "THAT authority be and is hereby given to Edmond Cheah Swee Leng, who has served as an Independent Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as an Independent Director of the Company."

[Ordinary Resolution 8]

[Ordinary Resolution 9]

[Ordinary Resolution 10]

10. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY ("Proposed Adoption of New Constitution")**

[Special Resolution]

"THAT the Company's existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 26 September 2018 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption of New Constitution."

11. **OTHER ORDINARY BUSINESS**

To transact any other business of which due notice shall have been given in accordance with the Memorandum and Articles of Association of the Company and the Companies Act 2016.

By Order of the Board,

CHOO SE ENG (MIA 5876)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Petaling Jaya
26 September 2018

NOTES:

- a. A member entitled to attend, speak and vote at the Meeting may appoint up to two (2) proxies to attend, speak and vote for him. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.
- b. Where a member of the Company is an authorised nominee, he may appoint not more than two (2) proxies in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.
- c. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
- d. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
- e. If the appointor is a corporation, the instrument appointing a proxy must be executed under its common seal or under the hand of its attorney.
- f. In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 October 2018 (General Meeting Records of Depositors) shall be eligible to attend, speak and vote or appoint proxy to attend, speak and vote on his behalf at the Meeting.
- g. The instrument appointing a proxy shall be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

EXPLANATORY NOTES:

- 1. **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 May 2018**
This Agenda item 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, this Agenda item is not put forward for voting.
- 2. **Ordinary Resolution 3 – Directors' fees**
Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of the listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that shareholders' approval shall be sought at the 49th Annual General Meeting on the Directors' fees payable by the Company of RM490,000 and by the Group of RM810,000 for the financial year ended 31 May 2018.
In 2016, an independent Board remuneration review was conducted by an external consultant to ascertain the competitiveness and risk alignment of the existing remuneration structure. Based on the Remuneration & Nomination Committee's recommendation, the Board agreed that the Directors' fees of the Non-Executive Directors ("NEDs") of the Company and of the Group remain unchanged for the financial year ended 31 May 2018.
- 3. **Ordinary Resolution 4 – Directors' benefits**
The Directors' benefits comprise the meeting attendance allowance of RM416.67 per meeting and other benefits (car, fuel, driver, allowance and other emoluments) payable to the NEDs.
In determining the estimated total amount of benefits (excluding Directors' fees) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees as well as the number of Directors involved.
- 4. **Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate")**
This proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company and is subject to renewal on an annual basis.

- 5. **Ordinary Resolution 7 – Proposed Renewal of Share Buy-Back Authority**
This proposed resolution, if passed, will empower the Company to purchase its own shares up to ten (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.
Further details relating to this proposed resolution are set out in the Share Buy-Back Statement dated 26 September 2018, which was circulated together with the Company's 2018 Annual Report.
- 6. **Ordinary Resolution 8 – Authority to Issue and Allot Shares**
This proposed resolution, if passed, will authorise the Directors to issue and allot up to a maximum of ten (10%) of the total number of issued shares (excluding treasury shares) in the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.
This is the renewal of the mandate obtained from the shareholders of the Company at the last annual general meeting ("Previous Mandate"). The Previous Mandate was not utilised and accordingly no proceeds were raised. This general mandate will give flexibility to the Company for any 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, repayment of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit and in the best interest of the Company.
- 7. **Ordinary Resolutions 9 and 10 – Continuing in Office as Independent Directors**
The proposed Ordinary Resolutions 9 and 10, if passed, will enable Tan Sri Dato' Dr Lin See Yan and Edmond Cheah Swee Leng, who had served as the Independent Directors of the Company for a cumulative term of more than twelve (12) years to continue serving as the Independent Directors of the Company as recommended under the Malaysian Code on Corporate Governance 2017.
Pursuant to the Malaysian Code on Corporate Governance 2017, the Board through the Remuneration & Nomination Committee has carried out the necessary assessments on Tan Sri Dato' Dr Lin See Yan and Edmond Cheah Swee Leng respectively and had recommended them to continue to act as the Independent Directors of the Company on the grounds that:
 - (i) they fulfill the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
 - (ii) they have been with the Company for more than twelve (12) years and therefore understand the Group's business operations which enable them to participate actively in contribute during deliberations or discussions at the Board and Committee meetings;
 - (iii) they are knowledgeable and have applied their vast experience and due care to discharge their duties and responsibilities as Independent Directors of the Company by exercising independent judgement and bringing objectivity to the oversight function of the Board; and
 - (iv) they have given time commitment to attend the Company's meetings and performance of duties and have exercised due care during their tenure as Independent Directors of the Company, and have carried out their professional duties in the interest of the Company.
The Board has decided not to adopt the 2-tier voting process for the approval to retain both Tan Sri Dato' Dr Lin See Yan and Edmond Cheah Swee Leng as Independent Directors of the Company. The Board has received legal opinion that the 2-tier voting may not be compatible with the Company's Articles of Association read together with the Companies Act 2016. As such, the Board has chosen not to adopt the 2-tier voting as a precautionary measure.
- 8. **Special Resolution – Proposed Adoption of New Constitution**
The proposed Special Resolution, if passed, will align the Constitution of the Company with the Companies Act 2016 which came into force on 31 January 2017, the updated provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the prevailing laws, guidelines or requirements of the relevant authorities, to render greater clarity and consistency throughout as well as to enhance administrative efficiency.
Further details relating to this proposed resolution are set out in the Company's Circular to Shareholders dated 26 September 2018, which was circulated together with the Company's 2018 Annual Report.