



SPRING GALLERY BERHAD

(Company No. 504718-U)
(Incorporated in Malaysia)

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth ("18th") Annual General Meeting ("AGM") of the Company will be held at Function Room 1, 1st floor, Sungai Long Golf & Country Club Cheras, 11½ Miles Jalan Cheras, 43000 Kajang, Selangor on Tuesday, 27 November 2018 at 9:00 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note No. 1) (Resolution 1)
- To approve the payment of Directors' fees of up to RM450,000.00 for the financial year ending 30 June 2019 and thereafter, which is payable quarterly in arrears. (Resolution 2)
- To approve the payment of Directors' benefits of up to RM30,000.00 from 28 November 2018 until the next AGM of the Company. (Resolution 3)
- To re-elect Mr. Lim Peng Tong who is due to retire in accordance with Article 96 of the Company's Articles of Association and being eligible, had offered himself for re-election. (Resolution 4)
- To re-elect the following Directors who is due to retire in accordance with Article 91 of the Company's Articles of Association and being eligible, have offered themselves for re-election:- (Resolution 5)
 - Encik Ahmad Ruslan Zahari Bin Dato' Dr. Zakaria; and
 - Encik Amirul Azhar Bin Baharom.
- To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 6)

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. ORDINARY RESOLUTION NO. 1:

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject always to the Companies Act 2016 ("the Act"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. ORDINARY RESOLUTION NO. 2:

- PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 30 October 2018, provided that such transactions are:-

- recurrent transactions of a revenue or trading nature;
- necessary for the Company's day-to-day operations;
- carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- not to the detriment of minority shareholders,

(the "Mandate");

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
 - the expiration of the period within which the next Annual General Meeting after that date 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
 - revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is the earlier;

AND FURTHER 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 Mandate."

- To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

YEOW SZE MIN (MAICSA 7065735)

Company Secretaries

Kuala Lumpur

Dated: 30 October 2018

Explanatory Notes-

1. AUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 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. AUTHORITY PURSUANT TO THE COMPANIES ACT 2016

The Company had been granted a general mandate on the authority to issue shares pursuant to the Companies Act 2016 by its shareholders at the Seventeenth Annual General Meeting of the Company held on 27 November 2017 (hereinafter referred to as the "Previous Mandate"). The Company wishes to renew the previous Mandate at the Eighteenth Annual General Meeting of the Company (hereinafter referred to as the "New Mandate").

The Previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.

The purpose to seek the New Mandate is to provide flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding working capital without convening a general meeting as it would be both time and cost consuming to organise a separate general meeting.

3. PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (HEREINAFTER REFERRED TO AS "THE PROPOSAL")

The Proposal will enable Million Rich Development Sdn. Bhd. ("MRDSB"), a wholly owned subsidiary of the Company to enter into any of the recurrent related party transactions of a revenue or trading nature to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified class of related party, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 October 2018 for more information.

Notes to the Notice of the 18th AGM:-

- In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 19 November 2018 shall be eligible to attend the Meeting.
- A member/shareholder of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the Company. There shall be no restriction as to the qualification of the proxy.
- In the case of a Company having a share capital, a member/shareholder may appoint not more than two (2) proxies at least one (1) for the Meeting, provided that the member specifies the proportion of the member/shareholder's shareholdings to be represented by each proxy.
- The instrument appointing proxy shall be in writing under the hand of the member/shareholder or his duly constituted attorney, or in the case of a corporate member/shareholder, under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- Where a member/shareholder 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 (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. The proportion of shareholdings to be represented by each proxy must be specified in the Proxy Form.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notationally certified copy of that power or authority shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.