



SEREMBAN ENGINEERING BERHAD (45332-X)
(Incorporated in Malaysia under the Companies Act 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 03 December 2018 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of Directors and Auditors thereon
2. To approve the shortfall of Directors' fees of RM33,500 for the financial year ended 30 June 2018. (*Ordinary Resolution 1*)
3. To approve the payment of Directors' fees and allowances up to RM340,800.00 for the financial year ending 30 June 2019 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. (*Ordinary Resolution 2*)
4. To re-elect Mr Wong Wai Hung who retires in accordance with Article 95 of the Constitution of the Company. (*Ordinary Resolution 3*)
5. To re-elect Mr See Boon Chun who retires in accordance with Article 103 of the Constitution of the Company. (*Ordinary Resolution 4*)
6. To approve the re-appointment of the retiring Auditors, Messrs Crowe Malaysia (formerly known as Crowe Horwath) as Auditors of the Company and to authorise the Directors to fix their remuneration. (*Ordinary Resolution 5*)

AS SPECIAL BUSINESS

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

7. **Authority for Directors to issue shares pursuant to the Companies Act 2016 ("the Act")** (*Ordinary Resolution 6*)
"THAT, subject always to the Act, the Constitution of the Company and the approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be hereby empowered pursuant to the Act to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up share capital (excluding treasury shares) for the time being 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."
8. **Proposed retention of Independent Director** (*Ordinary Resolution 7*)
"THAT, approval be hereby given to Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."
9. To transact any other ordinary business of which due notice shall have been given.

By order of the Board

PANG KAH MAN (MIA 18831)

Company Secretary
Kuala Lumpur
31 October 2018

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 21 November 2018 shall be regarded as members and be entitled to attend, participate, speak and vote at the Thirty-Ninth Annual General Meeting ("AGM").
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
6. 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 of attorney, must be deposited at the Registered Office of the Company at 37-2, 2nd Floor, Jalan Radin Bagus, Bandar Baru Sri Petaling, 57000 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Thirty-Ninth AGM to vote by poll.

EXPLANATORY NOTES TO THE AGENDA

7. **Item 1 of the Agenda**
This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.

8. Item 3 of the Agenda - Ordinary Resolution no. 2

Approval of Directors' fees and allowances for the financial year ending 30 June 2019.
Directors' fees approved for the financial year ended 30 June 2018 was RM276,000.00. The Directors' fees and meeting attendance allowances proposed for the financial year ending 30 June 2019 are calculated based on the number of scheduled Board and Committee Meetings for 2019 and assuming that all Non-Executive Directors will hold office until the conclusion of the next annual general meeting.

This resolution is to facilitate payment of Directors' fees and meeting attendance allowances on current financial year basis. In the event the Directors' fees and meeting attendance allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next annual general meeting for additional fees to meet the shortfall.

9. Item 7 of the Agenda - Ordinary Resolution no. 6

Authority to Issue Shares pursuant to the Companies Act 2016

- Authority to Issue Shares pursuant to the Companies Act 2016**
(a) The proposed resolution, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the Thirty-Ninth Annual General Meeting to allot and issue new ordinary shares in the Company up to an amount not exceeding in total of ten percent (10%) of the issued capital of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next annual general meeting of the Company.
- (b) The General Mandate is a renewal from the previous mandate obtained at the last annual general meeting held on 04 December 2017 which will expire at the conclusion of the Thirty-Ninth Annual General Meeting of the Company.
- (c) As at the date of this Notice, the Company did not issue any new ordinary shares based on the previous mandate obtained at the last annual general meeting.
- (d) The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital and/or payment of bank borrowings and acquisition.

10. Item 8 of the Agenda - Ordinary Resolution no. 8

Proposed Retention of Independent Director

The Board has assessed the independence of the Director, Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (i) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), and thus, he will be able to function as check and balance, provide a broader view and bring an element of objectivity to the Board;
- (ii) During his tenure in office, he has not developed, established or maintained any significant relationship which would impair his independence as Independent Director with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of him to carry out his duties as Independent Non-Executive Director and Chairman of the Board Committees;
- (iii) During his tenure in office, he have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries ("the Group"), within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Listing Requirements;
- (iv) He is currently not sitting on the board of any other public and / or private companies having the same nature of business as that of the Group;
- (v) Other than Director's fees and allowances paid in accordance with the industry norm and within the acceptable market rates which have been duly disclosed in the Annual Report 2018, there are no other incentives or benefits of whatsoever nature that have been paid to him by the Company during his tenure in office;
- (vi) His qualifications, high caliber, vast knowledge and experience enable him to continue providing objectivity in decision making of the Board and the Board committees; and
- (vii) He has performed his duties diligently and in the best interest of the Company and provide a broader view, independent and balanced assessment of proposals from the management.

11. ANNUAL REPORT

The Annual Report for the financial year ended 30 June 2018 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the verbal or written request. The Annual Report can also be downloaded at the Company's corporate website, www.seb.net.my.

Shareholders who wish to receive the printed Annual Report and/or require assistance in viewing the CD-ROM, kindly fax to Tricor Investor & Issuing House Services Sdn Bhd at fax no. 03-27839222 or email your request to is.enquiry@my.tricorglobal.com.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking election as a Director at the Thirty-Ninth Annual General Meeting of the Company.