



Boustead Heavy Industries Corporation Berhad (11106-V)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of the Company will be held at Mutiara Ballroom, Ground Floor, Royale Chulan Damansara, 2 Jalan PUJ 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 23 April 2019 at 2.30 p.m. for the purpose of transacting the following businesses:

- ORDINARY BUSINESS**
- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors. **(Please refer Note 1)**
 - To re-elect Tan Sri Dato' Seri Ahmad Ramli Haji Mohd Nor who retires by rotation in accordance with Article 77 of the Company's Constitution, and being eligible, offer himself for re-election. **Ordinary Resolution 1**
 - To re-elect Rozi Baharudin appointed during the year, who retires in accordance with Article 83 of the Company's Constitution, and being eligible, offer herself for re-election. **Ordinary Resolution 2**
 - To approve payment of Directors' benefits as follows:- **Ordinary Resolution 3**
 - Directors' meeting allowances to each Director of RM1,000 for each attendance at Board Meeting and Board Committee Meeting of the Company and/or its subsidiaries and/or its joint venture companies from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting; and
 - A fee of RM45,000 per annum for the Chairman and RM36,000 per annum for each of the other Directors for membership on the Board of a functional subsidiary for the financial year ended 31 December 2018. **Ordinary Resolution 4**
 - To approve payment of Directors' fees of RM475,000 (exclusive of any applicable taxes) for the financial year ended 31 December 2018. **Ordinary Resolution 5**
 - To re-appoint Messrs. Ernst & Young 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. **Ordinary Resolution 6**
- SPECIAL BUSINESS**
- To consider and, if thought fit, pass the following Ordinary Resolutions with or without modifications:
 - AUTHORITY TO ALLOT SHARES** **Ordinary Resolution 7**
"THAT subject always to the Companies Act 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot shares in the capital of 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 share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS** **Ordinary Resolution 8**
"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and his hereby given for the renewal of the mandate granted by the shareholders of the Company on 11 April 2018, authorising the Company and/or its subsidiaries to enter into recurrent transactions of a revenue or trading nature with the Related Parties as specified in Section 2.4.1 of the Circular to Shareholders dated 25 March 2019, provided that the transactions are:
 - necessary for the day to day operations;
 - carried out 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.
 AND THAT such approval shall continue to be in force until:
 - the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
 - the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - revoked or varied by a resolution passed by the Shareholders in a General Meeting; whichever is 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 this Shareholders' Mandate."
 - PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS** **Ordinary Resolution 9**
"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and 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 additional transactions involving the Related Parties as specified in Section 2.4.2 of the Circular to Shareholders dated 25 March 2019, provided that the transactions are:
 - recurrent transaction of a revenue or trading nature;
 - necessary for the day to day operations;
 - carried out 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.
 AND THAT such approval shall continue to be in force until:
 - the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
 - the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - revoked or varied by a resolution passed by the Shareholders in a General Meeting; whichever is 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 this Shareholders' Mandate."
 - PROPOSED RETENTION OF INDEPENDENT DIRECTORS** **Ordinary Resolution 10**
 - "THAT Dato' Ishak Osman be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director notwithstanding that he has been on the Board of the Company for a cumulative term of more than nine (9) years" **Ordinary Resolution 11**
 - "THAT Abd Malik A. Rahman be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director notwithstanding that he has been on the Board of the Company for a cumulative term of more than nine (9) years"
 - To consider and, if thought fit, to pass the following Special Resolution, with or without modifications:- **Special Resolution 1**
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY
"THAT the draft new set of the Constitution of the Company in the form and manner as set out in Appendix A attached herewith be and is hereby approved and adopted as the new Constitution of the Company, in substitution for, and to the exclusion of, the existing Constitution of the Company AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to adoption of the new Constitution of the Company."
 - To transact any other business of the Company of which due notice shall have been received.

By Order of the Board
LILYROHAYU AB HAMID @ KASSIM
SUZANA SANUDIN
Company Secretaries
Kuala Lumpur
25 March 2019

Notes

- Audited Financial Statements**
The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 ("Act") are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.
- Ordinary Resolution 1 and 2 – Proposed Re-election of Directors in accordance with Article 77 and Article 83 of the Company's Constitution**
Article 77 of the Company's Constitution provides amongst others that at least one-third of the Directors who are subject to retirement by rotation or, if their number is not three (3) or multiple of three (3), the number nearest to one-third shall retire from office provided always that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.
Tan Sri Dato' Seri Ahmad Ramli Haji Mohd Nor is standing for re-election pursuant to Article 77 of the Company's Constitution.
The Nominating Committee ("NC") of the Company has assessed the criteria and contribution of Tan Sri Dato' Seri Ahmad Ramli Haji Mohd Nor and recommended for his re-election. The Board endorsed the NC's recommendation that Tan Sri Dato' Seri Ahmad Ramli Haji Mohd Nor be re-elected as Director of the Company.
Article 83 of the Company's Constitution provides amongst others that the Directors shall have power at any time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office until the next following Annual General Meeting ("AGM") and shall then be eligible for re-election.
Puan Rozi Baharudin is standing for re-election pursuant to Article 83 of the Company's Constitution.
- Ordinary Resolutions 3 to 5 – Directors' Remuneration**
Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.
In this respect, the Board wishes to seek shareholders' approval for the following resolutions:
 - Ordinary Resolution 3** on payment of Directors' meeting allowances to each Director of RM1,000 for each attendance at Board Meeting and Board Committee Meeting of the Company and/or its subsidiaries and/or its joint venture companies from the date of this AGM until the conclusion of the next AGM; and
 - Ordinary Resolution 4** on payment of a fee to the Chairman of RM45,000 per annum and RM36,000 per annum to each of the other Directors for membership on the Board of a functional subsidiary for the financial year ended 31 December 2018.
 - Ordinary Resolution 5** on payment of Directors' fees of RM475,000 for the financial year ended 31 December 2018.
 The current structure of Directors' fees and allowances of the Company is as follows:-

(a) Boustead Heavy Industries Corporation Berhad			
		Directors' Fees (per annum) (RM)	Meeting Allowance (per meeting) (RM)
Board	Chairman	90,000	1,000
	Members (per person)	75,000	1,000
Board Committees			
Audit Committee	Chairman	35,000	1,000
	Members (per person)	25,000	1,000
Nominating Committee	Chairman	-	1,000
	Members (per person)	-	1,000
Remuneration Committee	Chairman	-	1,000
	Members (per person)	-	1,000
Executive Committee	Chairman	-	-
	Non-Executive Director (per person)	-	1,000
Finance Committee	Chairman	-	-
	Non-Executive Director (per person)	-	1,000
- Subsidiaries**

Name	Position Held	Fee Type	Amount (RM)
Boustead Penang Shipyard Sdn Bhd	Chairman	Directors' Fee (annual) Meeting Allowance – per meeting	45,000 1,000
	Member	Directors' Fee (annual) Meeting Allowance – per meeting	36,000 1,000
- Ordinary Resolution 6 – 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, Messrs. Ernst & Young ("EY") in carrying out their functions. Being satisfied with EY's performance, the Board recommends their re-appointment for shareholders' approval at the 47th AGM.
- Ordinary Resolution 7 – Authority for Directors to Allot Shares**
Ordinary Resolution 7, if passed, will give powers to the Directors to allot up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company.
This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM.
The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.
As at the date of this Notice, no new shares were issued pursuant to the authority granted to the Directors at the 46th AGM held on 11 April 2018, the mandate of which will lapse at the conclusion of the 47th AGM to be held on 23 April 2019.
- Ordinary Resolutions 8 and 9 – Recurrent Related Party Transactions**
Ordinary Resolutions 8 and 9, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.
- Ordinary Resolutions 10 and 11 – Retention of Independent Directors**
The Malaysian Code of Corporate Governance provides that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as non-independent director. However, if the board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval.
At the 46th AGM held on 11 April 2018, shareholders' approval was obtained to retain Dato' Ishak Osman and Abd Malik A Rahman, who have served the Board for more than nine (9) years as Independent Non-Executive Directors. At the 47th AGM to be held on 23 April 2019, shareholders' approval will be sought for retaining Dato' Ishak Osman and Abd Malik A Rahman as Independent Non-Executive Directors via Ordinary Resolutions 10 and 11.
The Board through the NC has determined that Dato' Ishak Osman and Abd Malik A Rahman are fair and impartial in carrying out their duties to the Company. As Directors, they continue to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. They also possess vast professional experience and bring the right mix of skills to the Board. The Board, therefore, endorsed the NC's recommendation for both Directors to be retained as Independent Directors.
- Special Resolution 1 – Proposed Amendments to the Constitution of the Company ("Proposed Amendments to Constitution")**
Special Resolution 1, if passed, will give full effect to the Proposed Amendments to Constitution by substituting the existing Constitution with a new set of the Constitution as set out in Appendix A. The proposed amendments will streamline the Company's Constitution with the new provisions of the Act, amendments made to Main Market Listing Requirements of Bursa Malaysia Securities Berhad and enhance administrative efficiency. The Proposed Amendments to Constitution shall take effect once it has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 47th AGM.
- Appointment of Proxy**
 - A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person to be his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
 - In the case of a Corporation, the proxy should be executed under the hand of a duly authorised officer.
 - A member of the Company is entitled to appoint more than one proxy to attend and vote at the same meeting in his stead, provided that the member specifies the proportion of his shareholdings to be represented by each proxy.
 - Where a member of the Company 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.
 - The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person or persons named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
 - Only members registered in the Record of Depositors as at 12 April 2019 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.
 - 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.