

TH HEAVY ENGINEERING BERHAD

(Company No. 634775-D)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the FIFTEENTH ANNUAL GENERAL MEETING ("15TH AGM") of TH Heavy Engineering Berhad ("the Company") will be held at Platinum Ballroom, Level 2, Novotel Kuala Lumpur City Centre, 2 Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 19 June 2019 at 9.30 a.m. for the transaction of the following business:-

AGENDA

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| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and the Auditors thereon. | <i>Please refer to Explanatory Note (A)</i> |
| 2. To approve the payment of Directors' fees amounting to RM493,820 for the Non-Executive Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2018. | <i>Ordinary Resolution 1</i> |
| 3. To approve the Directors' benefits payable to the Directors of the Company and its subsidiaries with effect from a day after the 15th AGM until the next Annual General Meeting ("AGM") of the Company in year 2020. | <i>Ordinary Resolution 2</i> |
| 4. To re-elect Dato' Hj Ghazali Bin Awang who retires pursuant to Article 95 of the Company's Articles of Association and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 3</i> |
| 5. To re-appoint Messrs. Deloitte PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 4</i> |

As Special Business

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

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| 6. AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 | <i>Ordinary Resolution 5</i> |
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"THAT pursuant to the Companies Act 2016 ("CA 2016"), the Articles of Association/Constitution of the Company, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and subject to the approvals of Bursa Securities and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors of the Company may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being **AND THAT** such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities **AND** be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

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| 7. PROPOSED RETENTION OF MR. TOO KOK LENG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR | <i>Ordinary Resolution 6</i> |
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"THAT Mr. Too Kok Leng be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM pursuant to the Malaysian Code on Corporate Governance ("MCCG")."

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| 8. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY | <i>Special Resolution</i> |
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"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Appendix A despatched together with the Company's Annual Report 2018 be and is hereby adopted as the Constitution of the Company ("Proposed Adoption of New Constitution");

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Adoption of New Constitution."

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| 9. To transact any other business of which due notice shall have been given. | |
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BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN LEY THENG (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
25 April 2019

EXPLANATORY NOTE A:-

Audited Financial Statements for the financial year ended 31 December 2018

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the CA 2016 does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

- (1) **Ordinary Resolution 1 - Payment of Directors' Fees**
The proposed payment of Directors' fees to the Non-Executive Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2018 shall be up to RM493,820 only, comprises the following:-

Entity	Chairman	Non-Executive Directors
The Company	RM80,000 per annum	RM60,000 per person per annum
Active Subsidiaries	RM40,000 Per annum	RM30,000 Per person per annum

- (2) **Ordinary Resolution 2 - Approval of Directors' Benefits**
Section 230(1) of the CA 2016 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 Company wishes to seek its shareholders' approval on the Directors' benefits payable to the Non-Executive Directors of the Company and its subsidiaries with effect from a day after the 15th AGM until the next AGM of the Company in year 2020 ("Period"). The Directors' benefits payable for the Period comprise solely meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors:-

Benefits	Fees (RM)
The Company	
Board Meeting Allowance	
- Chairman	1,000 per meeting
- Directors	1,000 per meeting
Board Sub-Committees' Meeting Allowance	
- Chairman	500 per meeting
- Directors	500 per meeting
Active Subsidiaries	
Board Meeting Allowance	750 per meeting

- (3) **Ordinary Resolution 5 - Authority to Issue Shares**
This is the renewal of the general mandate for issuance of shares by the Company obtained from the shareholders of the Company at the Fourteenth AGM of the Company held on 5 June 2018 (hereinafter referred to as the "Previous Mandate").

The proposed Resolution 5 is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund-raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.

- (4) **Ordinary Resolution 6 - Proposed Retention of Independent Non-Executive Director**

Mr. Too Kok Leng was appointed as Independent Non-Executive Director ("INED") of the Company on 28 January 2008 and has therefore, served in that capacity for a cumulative term of more than nine (9) years.

In accordance with the MCCG, the Board recommends that Mr. Too Kok Leng should be retained to continue in office as INED based on the following justifications:-

- He has fulfilled the criteria under the definition of an Independent Director ("ID") pursuant to the Main Market Listing Requirements of Bursa Securities ("MMLR");
- He is able to exercise independent judgement and act in the best interests of the Company.
- There is no potential conflict of interest that he could have with the Company and/or its subsidiaries.
- There are significant advantages to be gained from a long-serving ID as he has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and has provided invaluable contributions to the Board in his role as an INED.

- (5) **Special Resolution - Proposed Adoption of New Constitution of the Company**

The proposed Special Resolution, if passed, will primarily bring the Company's Constitution in line with the Companies Act 2016 and the changes made to the MMLR as well as to enhance administrative efficiency.

The Proposed Adoption of New Constitution of the Company shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to attend and vote and do vote in person or by proxy at the 15th AGM of the Company.

The new Constitution is set out in Appendix A despatched together with the Company's Annual Report 2018.

Notes:-

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 June 2019 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- (2) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting. Where a member appoints two (2) proxies to attend and vote at the same Meeting, the appointment shall be invalid unless he or she specifies the proportion of his or her holdings to be represented by each proxy.
- (3) A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Where a member of the Company is an exempt authorised nominee holding 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.
- (6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (7) 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 office of the Company's Share Registrar at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.