

CNI HOLDINGS BERHAD

(Company No. 181758-A)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth (30th) Annual General Meeting of CNI Holdings Berhad (“CNI” or “the Company”) will be held at Diamond Hall, First Floor, Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 14 June 2019 at 11.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. Refer to Explanatory Note 1

2. To re-elect the following Directors who retire by rotation in accordance with Article 91 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - (1) Dato’ Koh Peng Chor **Resolution 1**
 - (2) Dr. Ch’ng Huck Khoon **Resolution 2**

3. To approve the payment of Directors’ fees amounting to RM384,000 for the Non-Executive Directors of the Company in respect of the financial year ended 31 December 2018. **Resolution 3**

4. To approve the payment of benefits payable to the Non-Executive Directors of the Company up to an amount of RM50,000 from 15 June 2019 until the next Annual General Meeting of the Company. **Resolution 4**

5. To re-appoint Messrs. Moore Stephens Associates PLT having consented to act as the Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:

6. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 6**

“THAT authority be and is hereby given to Mr. Lim Lean Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2017.”

7. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 7**

“THAT subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Dr. Ch’ng Huck Khoon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2017.”

8. AUTHORITY TO ISSUE SHARES

Resolution 8

“THAT, subject always to the Companies Act, 2016, the Company’s Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act, 2016, to issue shares in 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 total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

9. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

Resolution 9

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Part A of the Circular to Shareholders dated 30 April 2019, provided that such transactions are undertaken in the ordinary course of business, on arm’s 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 minority shareholders;

THAT such approval shall continue to be in force until the earlier of:

- a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next Annual General Meeting;
- b) the expiration of the period within which the next Annual General Meeting to be held pursuant to Section 340(2) of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) such approval is revoked or varied by resolution passed by the shareholders in a general meeting before the next Annual General Meeting;

AND 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 Proposed Shareholders’ Mandate.”

10. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)

Resolution 10

“THAT, subject always to the Companies Act, 2016, the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised 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 as the Directors may deem fit and expedient in the interests of the Company, provided that:

- a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s);
- b) the maximum funds 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 of the Company (where applicable) available at the time of the purchase(s); and
- c) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

11. **SPECIAL RESOLUTION**

Resolution 11

PROPOSED ADOPTION OF NEW CONSTITUTION IN SUBSTITUTION OF EXISTING CONSTITUTION OF THE COMPANY

“THAT, approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 30 April 2019 accompanying the Company’s Annual Report for the financial year ended 31 December 2018, be and is hereby adopted as the Constitution of the Company, AND THAT the Directors of the Company’s be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

CHIN YOKE KWAI (MAICSA 7032000)

Company Secretary

Shah Alam

30 April 2019

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his rights to attend, participate, speak and vote at the meeting on his/her behalf. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a member of the Company.
2. A member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
3. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to vote by way of poll.
4. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), he/she may appoint not more than two (2) proxies in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account to attend and vote at a meeting of the Company instead of him.
5. Where a member of the Company is an Exempt Authorised Nominee as defined under SICDA 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.
6. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. Any alteration to the instrument appointing a proxy must be initialled.
7. The Form of Proxy must be deposited at the Company’s registered office at Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
8. Only members registered in the Record of Depositors as at 7 June 2019 (“General Meeting Record of Depositors”) shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/vote on their behalf.

EXPLANATORY NOTES

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016, are meant for discussion only. It does not require shareholders’ approval, and therefore, shall not be put forward for voting.

2. Ordinary Resolution 4 – Payment of benefits payable to the Non-Executive Directors (“NEDs”)

The benefits payable (excluding Directors’ fees) to the NEDs comprise allowances and other benefits. The total estimated amount of benefits payable is calculated based on the number of scheduled Board’s and Board Committees’ meetings for the period commencing 15 June 2019 until the next Annual General Meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

3. Ordinary Resolution 5 – 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 in carrying out their functions. Being satisfied with the external auditors’ performance, the Board recommends their re-appointment for shareholders’ approval.

4. Ordinary Resolutions 6 and 7 - Retention of Independent Non-Executive Director

The Board through the Nomination and Remuneration Committee (NRC), has determined that Mr. Lim Lean Eng and Dr. Ch'ng Huck Khoon 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 experience and bring the right mix of skills to the Board. The Board therefore, endorsed the NRC's recommendation for them to be retained as Independent Directors.

5. Ordinary Resolution 8 – Authority to Issue Shares

This is the renewal of the general mandate obtained from the shareholders of the Company at the last Annual General Meeting which was not utilised and accordingly no proceeds were raised.

The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising exercises, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/or acquisition, by the issuance of shares in the Company to such person at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

6. Ordinary Resolution 9 – Proposed Shareholders' Mandate

The proposed resolution, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Circular to Shareholders dated 30 April 2019 for further information.

7. Ordinary Resolution 10 – Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the aggregate of the retained profits of the Company.

Based on the Audited Financial Statements of the Company as at 31 December 2018, the Company's retained profits amounted to RM23,062,799.

Please refer to the Share Buy-Back Statement dated 30 April 2019 for further information.

8. Special Resolution 11 – Proposed Adoption of New Constitution in Substitution of Existing Constitution of the Company

The proposed special resolution, if passed, will bring the Company's Constitution in line with the amended Main Market Listing Requirements of Bursa Malaysia Securities Berhad which was issued on 29 November 2017 and will enhance administrative efficiency. The proposed new Constitution is set out in the Circular to Shareholders dated 30 April 2019 accompanying the Company's Annual Report.