

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting ("17th AGM" or "Meeting") of GRAND-FLO BERHAD ("Grand-Flo" or "the Company") will be held on fully virtual and entirely via remote participation and voting at the Broadcast Venue: Conference Room of Grand-Flo, Menara NCT, No. 2, Jalan BP 4/9, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan on Tuesday, 7 July 2020 at 3.00 p.m. to transact the following businesses:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.
- To declare and approve the final share dividend via a distribution of treasury shares on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2019. Any fractions arising from the distribution of treasury shares will be disregarded.
- To approve the payment of Directors' fees and benefits of up to RM350,000.00 for the financial year ending 31 December 2020.
- To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company's Constitution: -
 - Dato' Sri Yap Ngan Choy
 - Dato' Yap Fook Choy
 - Mr. Yap Chun Theng
 - Mr. Allen Yap Kuan Kee
 - Mr. Sae-Yap Atthakavit
- To re-appoint Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

As Special Business:-

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

6. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Cheong Kee Yoong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

7. GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any 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 to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM."

8. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT subject always to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the Listing Requirements of Bursa Securities and the approvals of any other relevant governmental and/or regulatory authorities, where required, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company's issued share capital ("Grand-Flo Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- the aggregate number of Grand-Flo Shares bought-back and/or held as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company subject to a restriction that the issued share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements;
- the maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained earnings of the Company; and
- the Grand-Flo Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manner:
 - cancel the purchased Grand-Flo Shares;
 - retain the purchased Grand-Flo Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
 - retain part of the purchased Grand-Flo Shares as treasury shares and cancel the remainder,

AND THAT such authority shall commence immediately upon the passing of this resolution until:

- the conclusion of the next AGM of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- the expiration of the period within which the next AGM after that date it is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Grand-Flo Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

AND FURTHER THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Grand-Flo Shares."

9. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE ANR/OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT, authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries to enter into any of the transactions with the related parties as set out in Section 1.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate dated 15 June 2020 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company; AND THAT such authority shall commence immediately upon the passing of this resolution until:

- the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- the expiration of the period within which the next AGM after that date it is required by law 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 an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company."

10. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the proposed amendments to the Constitution of the Company as set out below, be approved and adopted AND THAT the Directors and/or Secretaries of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company:-

Clause No.	Existing Clause	Clause No.	Proposed Clause
61	The meeting of its Members may be held at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.	61	The meeting of its Members may be held by fully virtual or hybrid or more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69 , the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.

PLEASE REFER TO EXPLANATORY NOTE 1

ORDINARY RESOLUTION 1

ORDINARY RESOLUTION 2

ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4

ORDINARY RESOLUTION 5

ORDINARY RESOLUTION 6

ORDINARY RESOLUTION 7

ORDINARY RESOLUTION 8

ORDINARY RESOLUTION 9

ORDINARY RESOLUTION 10

ORDINARY RESOLUTION 11

ORDINARY RESOLUTION 12

SPECIAL RESOLUTION

80	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 or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy. Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member.	80	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 or at such other place within Malaysia or by way of electronic means or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy. Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member.
106A	New provision	106A	The provisions of the Third Schedule of the Act shall not apply to the Company except where the same is repeated or contained in this Constitution.

SPECIAL RESOLUTION

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

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final share dividend in respect of the financial year ended 31 December 2019 via a distribution of treasury shares on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held in the Company ("Share Dividend"), if approved at the 17th AGM of the Company, will be credited into the entitled Depositors' Securities Accounts on 30 July 2020. Any fractions of the treasury shares arising from the distribution of the treasury shares shall be disregarded.

The entitlement date shall be fixed on 9 July 2020 and a Depositor shall qualify for entitlement only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 9 July 2020 in respect of ordinary transfers; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

Subject to the approval of the Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") for the transfer of treasury shares under the Share Buy-back Account by bulk transfer method of debiting and crediting, the treasury shares to be distributed under the Share Dividend will be credited into the entitled Depositors' Securities Accounts maintained with Bursa Depository on 30 July 2020.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)

LEE BOON HAI (MIA 18094) (SSM PC No.: 20190802949)

Company Secretaries

Date: 15 June 2020

Petaling Jaya, Selangor Darul Ehsan

Notes:

- A member entitled to attend, participate, speak and vote at the Meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, the member shall specify the proportion of his/her shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right as the member to speak and vote at the Meeting.
- 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 common seal or signed by an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint 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.
- 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- To be valid, the instrument appointing a proxy must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submitted via email to support.Grand-Flo@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 30 June 2020. Only members whose names appear in the General Meeting Record of Depositors as at 30 June 2020 shall be regarded as members and entitled to attend, speak and vote at the 17th AGM.
- All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- The 17th AGM will be conducted fully virtual at the Broadcast Venue, the members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. Item 1 of the Agenda

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

2. Item 3 of the Agenda

The estimated Directors' fees and benefits proposed for the financial year ending 31 December 2020 were calculated based on the current Board size and number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or enlarged board size, approval will be sought at the next AGM for the shortfall.

3. Item 6 of the Agenda

The Board has assessed the independence Mr. Cheong Kee Yoong, who will be serving as the Senior Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years on 30 June 2020. The Board is satisfied that he has met the independence and recommended him to continue to act as Senior Independent Non-Executive Director of the Company based on the following justification:

- he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Paragraph 1 of the Listing Requirements of Bursa Securities;
- he has vast experience in his respective industries which could provide the Board with a diverse set of experience, expertise and independent judgement;
- he has devoted sufficient time and attention to his professional obligation for informed and balanced decision making; and
- he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duty in the best interest of the Company and shareholder of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the retention of Mr. Cheong Kee Yoong who will be serving as the Senior Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years on 30 June 2020, the approval of the shareholders at the Meeting will be sought through a two-tier voting process.

4. Item 7 of the Agenda

The Company had at its Sixteenth AGM held on 19 June 2019 ("16th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any 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 to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("10% General Mandate"). This 10% General Mandate will expire at the conclusion of this AGM.

As at the date of this Notice, the Company had undertaken private placement exercises pursuant to the general mandate granted to the Directors at the 16th AGM, where the Company had placed out 20,542,000 new ordinary shares which raised a total proceeds of RM5,220,080.

The details of utilisation of proceeds from the said private placement exercises were as follows:-

Details of Utilisation	Amount of Proceeds RM	Amount Utilised RM	Amount Unutilised RM
Property Development Activities	5,188,280	4,120,000	1,068,280
Expenses related to Professional Fees	31,800	31,800	-
Total	5,220,080	4,151,800	1,068,280

The Ordinary Resolution 10 proposed under item 7 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate, unless revoked or varied at general meeting, will expire at the next AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities.

The Board of Directors' Statement

The Board of Directors of Grand-Flo ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

5. Item 8 of the Agenda

The Ordinary Resolution 11 proposed under item 8 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's total number of issued shares at any point of time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This mandate unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Share Buy-Back Statement to Shareholders dated 15 June 2020 for further details.

6. Item 9 of the Agenda

The Ordinary Resolution 12 proposed under item 9 of the Agenda, if passed, will give the mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Listing Requirements of Bursa Securities.

Please refer to the Circular to shareholders dated 15 June 2020 for further details.

7. Item 10 of the Agenda

The proposed amendments to the Company's Constitution under item 10 of the Agenda, if approved, will provide more flexibility for the Company and its shareholders on the manner of lodgement of proxy forms and to provide clarity on the provisions of Third Schedule of the Act.

The proposed amendments to the Constitution of the Company shall take effect once the special resolution 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 Meeting.

ADMINISTRATIVE NOTES FOR THE FULLY VIRTUAL SEVENTEENTH ANNUAL GENERAL MEETING

Date and Time : Tuesday, 7 July 2020 at 3.00 p.m.
Broadcast Venue : Conference Room of Grand-Flo Berhad,
Menara NCT, No. 2, Jalan BP 4/9,
Bandar Bukit Puchong,
47100 Puchong, Selangor Darul Ehsan

DIGITAL BALLOT FORM (“DBF”) VOTING PROCEDURES AT THE FULLY VIRTUAL SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”) OF GRAND-FLO BERHAD (“GRAND-FLO” OR “THE COMPANY”)

No shareholder should be physically present at the Broadcast Venue. Shareholders who wish to participate at the fully virtual 17th AGM will have to register online and attend remotely.

As a shareholder, you can register online. You can also appoint proxy / Chairman via online registration. Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the Webinar session to participate and remote voting at the 17th AGM online.

1. Open this link <https://shorturl.at/djqtQ> and submit all details requested at least forty-eight hours (48) hours before the time of the 17th AGM.
2. Only shareholders are allowed to register their details online. Shareholders can also appoint proxy / Chairman of the 17th AGM as his/her/its proxy via online, as in Step 1 above. Please ensure that your details are accurate as non-compliance would result in you not being able to receive your DBF.
3. Alternatively, you may deposit your Proxy Form with the **proxy’s email address** and **mobile phone number** at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submit via email at: support.Grand-Flo@megacorp.com.my not less than 48 hours before the time of holding the 17th AGM.
4. The Poll Administrator, Mega Corporate Services Sdn Bhd, will email a copy of your DBF to you once they have verified your details entered in Step 1 or 3 above.
5. There will be explanatory notes in DBF, to guide you to register to the 17th AGM, Voting and to post questions. Please read them for better understanding of the procedures.

RECORD OF DEPOSITORS FOR THE 17TH AGM

The date of Record of Depositors for the 17th AGM is 30 June 2020. As such, only shareholders whose name appears in the Record of Depositors of Grand-Flo as at 30 June 2020 shall be entitled to attend, participate, speak and vote at the 17th AGM.

ENQUIRY

If you have any general queries prior to the 17th AGM, please contact the Poll Administrator during office hours (Monday to Friday):

Mega Corporate Services Sdn. Bhd.
Tel No. : +60 (3) 2692 4271
Email : support.Grand-Flo@megacorp.com.my