



LII HEN INDUSTRIES BHD
(199401015681/301361-U)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth (26th) Annual General Meeting of the Company will be held at Classic 1, Ballroom, Classic Hotel, No.69, Jalan Ali, 84000 Muar, Johor Darul Takzim on Thursday, 10 September 2020, at 11.00 a.m. for the transaction of the following businesses:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon. (Ordinary Resolution 1)
- To declare a final single tier dividend of 4.5 sen per share for the financial year ended 31 December 2019. (Ordinary Resolution 2)
- To re-elect the following Directors who retire in accordance with Clause 149 of the Company's Constitution: (Ordinary Resolution 2)
(1) Mr Chan Wah Chong (Ordinary Resolution 3)
(2) Dato' Mustapha Bin Abd Hamid
- To re-elect the following Director who retires in accordance with Clause 150 of the Company's Constitution: (Ordinary Resolution 4)
(1) Mr Lee Min On
- To approve the following payments: (Ordinary Resolution 5)
(a) Directors' fees of RM69,100 to the Directors of the Company for the financial year ended 31 December 2019; (Ordinary Resolution 5)
(b) Directors' fees of up to RM95,000 in aggregate to the Directors of the Company for the financial year ending 31 December 2020; and (Ordinary Resolution 6)
(c) Directors' benefits of up to RM300,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 11 September 2020 until the next Annual General Meeting of the Company. (Ordinary Resolution 7)
- To re-appoint Messrs Peter Chong & Co. as Auditors of the Company and to authorise the Directors to determine their remuneration. (Ordinary Resolution 8)

AS SPECIAL BUSINESSES

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

- Authority to Issue Shares pursuant to the Companies Act 2016 ("the Act")
"THAT subject to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any relevant governmental/regulatory authority, the Directors of the Company be hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons 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 ten per cent (10%) of the total number of issued shares of the Company for the time being; AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 9)
- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPTs")
"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities, approval be hereby given for the renewal of the shareholders' mandate for the Company and its subsidiaries (the "LHIB Group") to enter into and to give effect to specified RRPTs and with specified class of the Related Parties as stated in Section 2.3 of the Circular to Shareholders dated 29 June 2020, which are necessary for the day-to-day operations, to be entered into by the LHIB Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate");
THAT the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate shall only continue to be in force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which time the Proposed Renewal of Shareholders' Mandate has been passed, at which time they will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
(b) the expiration of the period within which the next AGM after the date it is required 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) revoked or varied by a resolution passed by the shareholders in general meeting, whichever is the earlier;
AND FURTHER THAT the Directors of the Company and/or any of them be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate." (Ordinary Resolution 10)
- To transact any other ordinary business of which due notice shall have been given.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed final single-tier dividend of 4.5 sen per share in respect of the financial year ended 31 December 2019, if approved, will be paid on 15 October 2020 to depositors registered in the Record of Depositors of the Company at the close of business on 29 September 2020.

A depositor shall qualify for entitlement only in respect of:-

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 29 September 2020 in respect of ordinary transfers; or
- Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,
Pang Kah Man
SSM PC No.: 202008000183
MIA No.: 18831
Company Secretary
Muar, Johor Darul Takzim
10 August 2020

Notes:

- 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 Act. There shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary-certified copy of that power of attorney, must be deposited at the Registered Office of the Company at No. 2 (1st Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, 84000 Muar, Johor Darul Takzim 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 Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 26th Annual General Meeting to vote by way of poll.
- 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 proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).
- 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.
- If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
- 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.
- Only depositors whose names appear in the Register of Depositors as at 3 September 2020 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 26th Annual General Meeting.

Explanatory Notes to the Agenda

- Item No. 1 of the Agenda
Audited Financial Statements
This Agenda item is meant for discussion only as provision of Section 340(1)(a) of the the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.
- Item No. 5 of the Agenda
Approval of Directors' fees ad benefits
The Company pays Directors' fees and benefits to the Independent Non Executive Directors ("INEDs") only. The Executive Directors do not receive fees and benefits as they are remunerated by way of salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders
The current benefits payable to the INEDs of the Company include fixed allowance and travelling allowance, notably:
(a) Fixed allowance of RM4,500 per month for each INED.
(b) Travelling allowance ranging from RM350 to RM800 per meeting for each INED.
The Board recommends that shareholders to approve a maximum aggregate amount of RM95,000 for the payment of Directors' fees to the INEDs of the Company for the financial year ending 31 December 2020 payable monthly in arrears after each month of completed service of the Directors.
The Board also recommends that shareholders to approve a maximum aggregate amount of RM300,000 for the payment of benefits to the INEDs of the Company during the course of the period from 11 September 2020 payable monthly in arrears after each month of completed service of the Directors until the next Annual General Meeting of the Company.
In the event the Directors' fees and benefits 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 before payment is made.
- Item No. 7 of the Agenda
Authority to Issue Shares pursuant to the Act
The proposed adoption of Ordinary Resolution 9 is for the purpose of granting a fresh general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per cent (10%) of the total number of issued shares of the Company for the time being.
The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s).
- Item No. 8 of the Agenda
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")
The proposed Ordinary Resolution 10, if passed, will authorise the Company and/or its subsidiaries (the "LHIB Group") to enter into RRPTs which are necessary for the LHIB Group's day-to-day operations with the respective specified class of the Related Parties, subject to the transactions being entered into on terms which are not more favorable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company. Further details are set out in the Circular to Shareholders dated 29 June 2020.
- Personal data privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 26th Annual General Meeting and/or any adjournment thereof, a member of the Company:-
(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 26th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

The Company and its subsidiaries, officers, agents and employees shall have no liability whatsoever to any and all shareholders, proxies, corporate representatives or any other party arising out of or in connection with any of them being infected or suspected of being infected with COVID-19 and/or suffering any losses arising out of or in connection with attendance at the 26th Annual General Meeting and/or measures undertaken by the Company in the Company's sole discretion in response to the COVID-19 pandemic.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Individuals Standing for Election as Directors

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

No individual is seeking election (except for those seeking re-election) as a Director at the 26th Annual General Meeting of the Company.