

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Company will be held at Ballroom 2, LG Level – Main Wing, Hotel Equatorial Penang, 1, Jalan Bukit Jambul, Bayan Lepas, 11900 Penang on Tuesday, 22 May 2018 at 11.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

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| <ol style="list-style-type: none"> 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. 2. To approve the additional Director's fee and Directors' benefits of RM11,000.00 for financial year ended 31 December 2017 3. To approve the payment of Directors' fees and Directors' benefits of RM152,000.00 for the financial year ending 31 December 2018. 4. To re-elect Dato' Tan King Seng who retires in accordance with the Company's Constitution (Article 129 of the Articles of Association of the Company as adopted before the commencement of the Companies Act 2016). 5. To re-elect Mr. Khor Thean Lee who retires in accordance with the Company's Constitution (Article 129 of the Articles of Association of the Company as adopted before the commencement of the Companies Act 2016). 6. To re-elect Mr. Lai Fah Hin who retires in accordance with the Company's Constitution (Article 134 of the Articles of Association of the Company as adopted before the commencement of the Companies Act 2016). 7. To re-elect Mr. Koh Yew Wah who retires in accordance with the Company's Constitution (Article 134 of the Articles of Association of the Company as adopted before the commencement of the Companies Act 2016). 8. To re-appoint Messrs. Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | <p>Please refer to the Explanatory Notes</p> <p>Resolution 1</p> <p>Resolution 2</p> <p>Resolution 3</p> <p>Resolution 4</p> <p>Resolution 5</p> <p>Resolution 6</p> <p>Resolution 7</p> |
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As Special Business:

9. To consider and if thought fit, to pass with or without modifications the following resolutions :-
 - (i) **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES
"That pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such 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 in any one financial year does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for 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."
Resolution 8
 - (ii) **ORDINARY RESOLUTION**
MANDATE FOR MR. LOH CHYE TEIK TO CONTINUE TO ACT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR
"That approval be and is hereby given to Mr. Loh Chye Teik who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."
Resolution 9
 - (iii) **ORDINARY RESOLUTION**
MANDATE FOR DATO' DR. LOH HOCK HUN TO CONTINUE TO ACT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR
"That approval be and is hereby given to Dato' Dr. Loh Hock Hun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."
Resolution 10
 - (iv) **ORDINARY RESOLUTION**
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")
"That subject to Sections 112, 113 and 127 of the Companies Act 2016 ("the Act"), the provisions of the Ace Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-
 - (a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
 - (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company; and
 - (c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manner:-
 - (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as treasury shares and held by the Company; or
 - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
 - (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or
 in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force;
 And that the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall 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 such resolution was passed at which time the said authority will lapse unless renewed by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed Section 340(4) of the Act); or
 - (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting, whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and other relevant guidelines issued by the Bursa Securities or any other relevant authorities. And that the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Share Buy-Back Authority with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities."

10. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

CHEE WAI HONG (BC/C/1470)

FOO LI LING (MAICSA 7019557)

Company Secretaries

Penang

Date : 30 April 2018

Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 51-13-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies or more, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Mr. or Ms. Tan Hin from the Constitution of the Company (Article 79 of the Articles of Association as adopted before the commencement of the Companies Act 2016) and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 15 May 2018 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Thirteenth Annual General Meeting are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Resolution 1 – Payment of additional Director's fees and Directors' benefits

Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017 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. The additional Director's fees are for the payment of Director's fees and Director's benefits to Mr. or Ms. Tan Hin from the Constitution of the Company (Article 79 of the Articles of Association as adopted before the commencement of the Companies Act 2016) and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as the additional meeting allowance to the Independent Non-Executive Directors for the additional Board and Committee meetings held during the financial year ended 31 December 2017.

The proposed Ordinary Resolution 1 is to seek shareholders' approval for the additional payment of Directors' benefits of up to RM3,000 and additional Director's fees of RM8,000 for the financial year ended 31 December 2017.

Resolution 2 – Payment of Directors' fees and Directors' benefits

The proposed Ordinary Resolution 2 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for 2018 and assuming that all Non-Executive Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

Explanatory Note on Special Business

Resolution 8 – Authority to issue shares

Renewal of authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016

The proposed Ordinary Resolution 8, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

As at the date of this Notice, 15,335,000 ordinary shares were issued at an issue price of RM2.64 per share (via private placement) pursuant to Section 75 and Section 76 of the Companies Act 2016 under the general authority which was approved at the Twelfth Annual General Meeting held on 26 May 2017 and which will lapse at the conclusion of the Thirteenth Annual General Meeting to be held on 22 May 2018. The status of utilisation of the proceeds raised of RM40.484 million as at 20 April 2018 is as follows:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance to be Utilised
	RM'000	RM'000	RM'000
Working capital	22,699	20,946*	1,753
Replacement of bank borrowing	12,000	12,000	Completed
Capital expenditure	5,600	2,000	3,600
Expenses for the corporate proposal	185	186*	Completed
Total	40,484		5,353

* The actual expenses for the corporate proposal incurred were higher than the estimated expenses for the corporate proposal by RM1,000. The said variation was adjusted from the amount allocated for working capital requirements.

A renewal of this authority is being sought at the Thirteenth Annual General Meeting under proposed Resolution 8.

This authority if granted 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, acquisition(s) and/or settlement of banking facility(ies).

Resolution 9 – Mandate for Mr. Loh Chye Teik to continue to act as an Independent Non-Executive Director of the Company

The proposed Ordinary Resolution 9, if passed, will enable Mr. Loh Chye Teik to continue to act as Independent Non-Executive Director of the Company in line with the recommendation of the Malaysian Code of Corporate Governance. Both the Nomination Committee and Board have assessed the independence of Mr. Loh Chye Teik, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- i. He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
- ii. His vast experience in the accounting, tax and audit industry enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
- iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
- iv. He consistently challenged management in an effective and constructive manner and actively participated in board discussion.
- v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Resolution 10 – Mandate for Dato' Dr. Loh Hock Hun to continue to act as an Independent Non-Executive Director of the Company

The proposed Ordinary Resolution 10, if passed, will enable Dato' Dr. Loh Hock Hun to continue to act as Independent Non-Executive Director of the Company in line with the recommendation of the Malaysian Code of Corporate Governance. Both the Nomination Committee and Board have assessed the independence of Dato' Dr. Loh Hock Hun, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- i. He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
- ii. His vast experience particularly in public service has enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
- iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
- iv. He consistently challenged management in an effective and constructive manner and actively participated in board discussion.
- v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Resolution 11 – Proposed Share Buy-Back Authority

The proposed Resolution 11, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the proposal are set out in the statement to shareholders dated 30 April 2018.