

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at the Majestic Hall of Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Penang on Tuesday, 27 August 2013 at 9:00 am for the following purposes:-

## AGENDA

## AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2013 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM152,000 for the financial year ended 31 March 2013.
3. To re-elect Dat<sup>o</sup> Goh Boon Koon who retires in accordance with Article 95(1) of the Company's Articles of Association.
4. To re-elect Mr Ang Poh Gin who retires in accordance with Article 95(1) of the Company's Articles of Association.
5. To re-elect Mr Goh Peng Yeong who retires in accordance with Article 102 of the Company's Articles of Association.
6. To re-elect Mr Chong Chun Chieh who retires in accordance with Article 102 of the Company's Articles of Association.
7. To re-appoint Messrs Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

**Resolution 1**  
**Resolution 2**  
**Resolution 3**  
**Resolution 4**  
**Resolution 5**  
**Resolution 6**

## AS SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modifications the following ordinary/special resolutions:-

## 8.1 ORDINARY RESOLUTION

## AUTHORITY TO ISSUE SHARES

"That pursuant to Section 132D of the Companies Act, 1965, 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 issued share capital 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 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 7**

## 8.2 ORDINARY RESOLUTION

## PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"That subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares comprised in the Company's issued and paid up ordinary share capital, such purchases to be made through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- (i) the aggregate number of ordinary shares of RM0.20 each in Boon Koon Group Berhad ("BKOON Shares") which may be purchased or held by the Company shall not exceed ten per centum (10%) of its issued and paid-up ordinary share capital of the Company, subject to a restriction that the issued and paid-up ordinary share capital of BKOON does not fall below the minimum share capital requirements of the Listing Requirements of Bursa Securities ("Listing Requirements") applicable to a company listed on the Main Market of Bursa Securities and that the listed issuer continues to maintain a shareholding spread that is in compliance with the requirements of the Listing Requirements after the share purchase;
  - (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the BKOON Shares under the Proposed Share Buy-Back shall not exceed the total amount of retained profit and/or share premium available for effecting the Proposed Share Buy-Back. Based on the audited financial statements of the Company for the financial year ended 31 March 2013, the accumulated losses of the Company stood at RM40,352,818 and the Company does not have a share premium account. The Company will only purchase its own shares wholly out of retained profits and/or the share premium account as required under paragraph 12.10 of the Main Market Listing Requirements of Bursa Securities;
  - (iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will 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 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 after that date is required by law to be held; or
    - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting; whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the BKOON 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 relevant authorities; and
  - (iv) upon completion of the purchase(s) of the BKOON Shares by the Company, the Directors of the Company be and are hereby authorised to cancel up to all the BKOON Shares so purchased or to retain the BKOON Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders, and/or resold on Bursa Securities, and/or subsequently cancelled or to be retained part of the BKOON Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;
- And 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 Share Buy-Back 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 the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the BKOON Shares."

**Resolution 8**

## 8.3 ORDINARY RESOLUTION

## RETENTION OF MR HO KOK LOON AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That approval be and is hereby given to Mr Ho Kok Loon 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 in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

**Resolution 9**

## 8.4 ORDINARY RESOLUTION

## RETENTION OF MR ANG POH GIN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That subject to the passing of the Resolution 3, approval be and is hereby given to Mr Ang Poh Gin 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 in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

**Resolution 10**

## 8.5 ORDINARY RESOLUTION

## RETENTION OF MR MURELIDARAN A/L M NAVARATNAM AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That approval be and is hereby given to Mr Murelidaran A/L M Navaratnam to continue to act as an Independent Non-Executive Director of the Company after the cumulative term of nine (9) years, in compliance with the recommendation of Malaysian Code on Corporate Governance 2012."

**Resolution 11**

## 8.6 SPECIAL RESOLUTION

## PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"That the amendments to the Articles of Association of the Company contained in Appendix I be and are hereby approved."

**Resolution 12**

9. To transact any other business of which due notices shall have been given in accordance with the Companies Act, 1965.

By Order of the Board,

**CHEE WAI HONG (BC/C/1470)**  
**FOO LI LING (MAICSA 7019557)**

Company Secretaries

Penang

Date : 31 July 2013

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
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 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, 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 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 Company pursuant to Article 62(3) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 21 August 2013 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.

## Explanatory Notes on Special Business

## Resolution 7 – Authority to Issue Shares

The Ordinary Resolution proposed under item 8.1 above, if passed, primarily to renew the mandate to give authority to the Board of Directors to issue and allot shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being, at any time in their absolute discretion 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, the Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the Tenth Annual General Meeting held on 29 August 2012 and which will lapse at the conclusion of the Eleventh Annual General Meeting to be held on 27 August 2013. A renewal of this authority is being sought at the Eleventh Annual General Meeting under proposed Resolution 7.

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 8 – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under item 8.2 above, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the issued and paid up capital of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. 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. Please refer to the Share Buy Back Statement in page 36 to 40 of the Annual Report.

## Resolution 9 – Retention of Mr Ho Kok Loon as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Ho Kok Loon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine 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 Main 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 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 – Retention of Mr Ang Poh Gin as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Ang Poh Gin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine 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 Main 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. He has vast experience in the various industries the Group is involved in and as such could 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 provided an independent voice on the Board.
- v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

## Resolution 11 – Retention of Mr Murelidaran A/L M Navaratnam as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Murelidaran A/L M Navaratnam, who has served as an Independent Non-Executive Director of the Company since 24 November 2004 and will reach the nine years term limit on 23 November 2013, and recommended him to continue to act as Independent Non-Executive Directors of the Company after the said nine years term based on the following justifications:-

- i. He fulfilled the criteria under the definition of Independent Director as stated in the Main 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 legal 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 provided an independent voice on the Board.
- v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

## Resolution 12 – Proposed Amendments to the Articles of Association of the Company

The Special Resolution proposed under item 8.6 above, if passed, will give authority to the Company to amend its Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.