

BOON KOON GROUP BERHAD

(Company No.: 553434-U)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at the Conference Room of Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Penang on Wednesday, 29 August 2012 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 2012 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM126,000 for the financial year ended 31 March 2012. Resolution 1
3. To re-elect Encik Mohd Kamal Bin Omar who retires in accordance with Article 95(1) of the Company's Articles of Association. Resolution 2
4. To re-elect Mr Ho Kok Loon who retires in accordance with Article 95(1) of the Company's Articles of Association. Resolution 3
5. 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 4

AS SPECIAL BUSINESS :

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

(i) **ORDINARY RESOLUTION NO. 1**
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 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 5

(ii) **ORDINARY RESOLUTION NO. 2**
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 RM0.50 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;

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

6. (ii) **ORDINARY RESOLUTION NO. 2**
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont'd)

- (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 2012, the accumulated losses of the Company stood at RM31,842,370 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 6

7. 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 (MIA 17181)
FOO LI LING (MAICSA 7019557)
Company Secretaries

Penang

Date : 31 July 2012

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

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.

Explanatory Notes on Special Business

Resolution 5 – Authority to issue shares

The Ordinary Resolution proposed under item 6(i) 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 Ninth Annual General Meeting held on 24 August 2011 and which will lapse at the conclusion of the Tenth Annual General Meeting to be held on 29 August 2012. A renewal of this authority is being sought at the Tenth Annual General Meeting under proposed Resolution 5.

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 6 – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under item 6(ii) 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 Statement in pages 24 to 27 of this Annual Report.