

BOON KOON GROUP BERHAD(Company No. 553434-U)
(Incorporated in Malaysia)**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at Chin Hin Culture Centre No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Tuesday, 22 August 2017 at 10:00 am for the following purposes:-

AGENDA**AS ORDINARY BUSINESS:**

- To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees and Directors' benefits of RM163,600 for the financial year ended 31 March 2017.
- To approve the payment of Directors' fees and Directors' benefits of RM141,700 for the financial year ending 31 March 2018.
- To re-elect Datuk Seri Chiau Beng Teik who retires in accordance with the Company's Constitution (Article 102 of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016).
- To re-elect Mr Chiau Haw Choon who retires in accordance with the Company's Constitution (Article 102 of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016).
- To re-elect Mr Khoo Chee Siang who retires in accordance with the Company's Constitution (Article 102 of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016).
- To re-elect Mr Yeo Chun Sing who retires in accordance with the Company's Constitution (Article 102 of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016).
- To re-elect Mr Ho Kok Loon who retires in accordance with the Company's Constitution (Article 95(1) of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016).
- To appoint Messrs. UHY as the Auditors of the Company in place of the retiring Auditors, Messrs. Grant Thornton and to authorise the Directors to fix their remuneration.

Notice of Nomination (a copy of which is annexed and marked as "Appendix I" in the Annual Report 2017) has been received by the Company for the nomination of Messrs. UHY who has given their consent to act, for the appointment as Auditors in place of the retiring Auditors, Messrs. Grant Thornton and of the intention to propose the following ordinary resolution:-

"That Messrs. UHY be and are hereby appointed as the new Auditors of the Company in place of the retiring Auditors, Messrs Grant Thornton and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

AS SPECIAL BUSINESS:

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

10.1 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 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."

10.2 ORDINARY RESOLUTION**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"That subject to the Companies Act, 2016 ("the Act"), provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities 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 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:-

- the aggregate number of ordinary shares in Boon Koon Group Berhad ("BKOOON Shares") which may be purchased or held by the Company shall not exceed ten per centum (10%) of its issued ordinary share capital of the Company, subject to a restriction that the issued ordinary share capital of BKOOON 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;
- the maximum funds to be allocated by the Company for the purpose of purchasing the BKOOON Shares under the Proposed Renewal of Share Buy-Back Authority shall not exceed the total amount of retained profit and/or share premium available for effecting the Proposed Renewal of Share Buy-Back Authority. Based on the audited financial statements of the Company for the financial year ended 31 March 2017, the retained profits of the Company stood at RM3,400,440 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;
- the authority conferred by this resolution to facilitate the Proposed Renewal of Share Buy-Back Authority will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- 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
- the expiration of the period within which the next AGM after that date is required by law to be held; or
- revoked or varied by ordinary resolution passed under 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 BKOOON 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

- upon completion of the purchase(s) of the BKOOON Shares by the Company, the Directors of the Company be and are hereby authorised to cancel up to all the BKOOON Shares so purchased or to retain the BKOOON 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 BKOOON Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, the requirements of Bursa Securities and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by relevant authorities for the time being in force;

Resolution 1**Resolution 2****Resolution 3****Resolution 4****Resolution 5****Resolution 6****Resolution 7**

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 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 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 BKOOON Shares."

Resolution 10**10.3 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."

Resolution 11

- To transact any other business of 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: 31 July 2017

Notes:

- A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- 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.
- A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.
- 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.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- 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.
- 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.
- 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 Company's Constitution (Article 62(3) of the Articles of Association of the Company as adopted before the commencement of the Companies Act, 2016) and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 16 August 2017 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.
- All resolutions as set out in this notice of Fifteenth Annual General Meeting are to be voted by poll.

Resolution 8**Resolution 9****Explanatory Notes on Ordinary Business****Item 1 of the Agenda****To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon**

The 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 2 – Payment of Directors' fees and Directors' benefits for the financial year ending 31 March 2018

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 financial year 2018 and assuming that all 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 Notes on Special Business**Resolution 9 – Authority to Issue Shares**

The proposed Ordinary Resolution 9, if passed, is 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 the general authority granted to the Directors at the Fourteenth Annual General Meeting held on 24 August 2016 and which will lapse at the conclusion of the Fifteenth Annual General Meeting to be held on 22 August 2017. A renewal of this authority is being sought at the Fifteenth Annual General Meeting under proposed Resolution 9.

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 10 – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under item 10.2 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 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 page 45 to page 49 of this Annual Report.

Resolution 11 – 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:-

- 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.
- 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.
- He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
- He consistently challenged management in an effective and constructive manner and actively participated in board discussion.
- He has a good and thorough understanding of the main drivers of the business in a detailed manner.