



SCH GROUP BERHAD
(Company No. 972700-P)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth (6th) Annual General Meeting of SCH Group Berhad ("SCH" or "the Company") will be held at Lot 35, Jalan CJ 1/1, Kawasan Perusahaan Cheras Jaya, 43200 Cheras, Selangor Darul Ehsan on Friday, 26 January 2018 at 10.00 a.m., for the purpose of transacting the following businesses:

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| 1. To receive the Audited Financial Statements for the financial year ended 31 August 2017 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. To approve the payment of Directors' fees of RM134,500 to Non-Executive Directors of the Company for the financial year ended 31 August 2017. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' benefits of up to RM50,000 for the period from 31 January 2017 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. To re-appoint Chan Wan Choon as Director of the Company. | Ordinary Resolution 3 |
| 5. To re-elect Sim Yee Fuan, who retiring pursuant to the Article 95 of the Company's Articles of Association, as Director of the Company. | Ordinary Resolution 4 |
| 6. To re-elect the following Directors retiring pursuant to the Article 100 of the Company's Articles of Association: | |
| i) Khoo Chee Siang | Ordinary Resolution 5 |
| ii) Liew Fook Meng | Ordinary Resolution 6 |
| iii) Wong Kin Seng | Ordinary Resolution 7 |
| iv) Koh Chen Foong | Ordinary Resolution 8 |
| 7. To re-appoint Messrs ECOVIS AHL PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 9 |

SPECIAL BUSINESSES:

To consider and, if thought fit, to pass the following Resolution:

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| 8. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 10 |
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- "THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered 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 to be issued does not exceed ten per centum (10%) of the total number of the 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 for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND 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, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier."
9. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)
Company Secretaries
Kuala Lumpur
29 December 2017

Notes

- A member/shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member/shareholder appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by attorney so authorised.
- The Form of Proxy must be deposited at the Registrar Office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- For the purpose of determining a member who shall be entitled to attend the Sixth (6th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 19 January 2017. Only members whose name appears on the Record of Depositors as at 19 January 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Year Ended 31 August 2017

The Agenda No. 1 is meant for discussion only as Sections 248(2) and Section 340(1)(a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 2: To Approve the Payment of Directors' Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the directors shall be approved at a general meeting.

The Directors' benefits payable comprises of meeting allowances which calculated based on the current Board size and the number of scheduled Board and Board Committee meetings for the period from 31 January 2017 up to the next Annual General Meeting.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

3. Ordinary Resolution 3: Re-appointment of Chan Wan Choon as Director of the Company

With the coming into force of the Companies Act 2016 on 31 January 2017, there is no age limit for directors. At the Fifth (5th) Annual General Meeting of the Company held on 23 January 2017, Mr Chan Wan Choon, who is above the age of 70, was re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the Sixth (6th) Annual General Meeting.

As such, his term of office will end at the conclusion of the Sixth (6th) Annual General Meeting and he has offered himself for re-appointment. The proposed Ordinary Resolution 3, if passed, will enable Mr Chan Wan Choon to continue to act as Director of the Company and shall be subject to retirement by rotation at a later date.

4. Ordinary Resolution 10: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 10, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the Fifth (5th) Annual General Meeting held on 23 January 2017 and which will lapse at the conclusion of the Sixth (6th) Annual General Meeting.