



**SCH GROUP BERHAD**  
(Company No. 972700-P)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Seventh (7<sup>th</sup>) Annual General Meeting of SCH Group Berhad ("SCH" or "the Company") will be held at Lot 35, Jalan CJ 1/1, Kawasan Perumahan Cheras Jaya, 43200 Cheras, Selangor Darul Ehsan on Tuesday, 22 January 2019 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 2018 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 RM162,000.00 to Non-Executive Directors of the Company for the financial year ended 31 August 2018.   | Ordinary Resolution 1                          |
| 3. To approve the payment of Directors' Fees payable to Non-Executive Directors up to RM180,000.00 for the period from 1 September 2018 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 2                          |
| 4. To approve the payment of Directors' benefits of up to RM50,000.00 for the period from 23 January 2019 until the conclusion of the next Annual General Meeting of the Company.                               | Ordinary Resolution 3                          |
| 5. To re-elect the following Directors retiring pursuant to the Article 95 of the Company's Articles of Association:<br>i) Khoo Chee Siang<br>ii) Gan Khong Aik   | Ordinary Resolution 4<br>Ordinary Resolution 5 |
| 6. To re-elect the following Directors retiring pursuant to the Article 100 of the Company's Articles of Association:<br>i) Dato' Ong Choo Meng<br>ii) Dato' Chan Choun Sien                                    | Ordinary Resolution 6<br>Ordinary Resolution 7 |
| 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 8                          |

**SPECIAL BUSINESSES:**

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

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| 8. <b>Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b><br>"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 <b>AND THAT</b> 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; <b>AND THAT</b> 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."  | Ordinary Resolution 9  |
| 9. <b>Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")</b><br>"THAT subject to the provisions of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of Part A of the Circular to Shareholders dated 24 December 2018, provided that such transactions and/or arrangements are:-<br>(a) necessary for the day-to-day operations;<br>(b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and<br>(c) are not detrimental to the minority shareholders of the Company.<br>(collectively known as "Shareholders' Mandate")<br><b>AND THAT</b> such approval, shall continue to be in force until:<br>(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or<br>(b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 of Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or<br>(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever is earlier;<br><b>AND THAT</b> the estimated aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed, in accordance with the Listing Requirements, in the Annual Report of the Company for the said financial year;<br><b>AND THAT</b> the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." | Ordinary Resolution 10 |
| 10. <b>Proposed Adoption of the New Constitution of the Company</b><br>"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part B of the Circular dated 24 December 2018 be and is hereby adopted as the Company's Constitution <b>AND THAT</b> the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."   | Special Resolution 1   |
| 11. 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)  
Thien Lee Mee (LS0009760)  
Company Secretaries  
Kuala Lumpur  
24 December 2018

**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 appointer or of his attorney duly authorised in writing or, if the appointer 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 appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by attorney so authorised.
- The Form of Proxy must be deposited at the Share Registrar 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 Seventh (7<sup>th</sup>) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 11 January 2019. Only members whose name appears on the Record of Depositors as at 11 January 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

**EXPLANATORY NOTES**

- Audited Financial Statements for the Financial Year Ended 31 August 2018**  
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.
- Ordinary Resolution 3: 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 23 January 2019 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.
- Ordinary Resolution 9: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**  
The Ordinary Resolution 9, 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, the Company issued 60,000,000 new ordinary shares at issue price of RM0.185 per share and 43,000,000 new ordinary shares at RM0.15 per share by way of the private placement pursuant to the General Mandate granted to the Directors at the Sixth (6<sup>th</sup>) Annual General Meeting held on 26 January 2018 and which will lapse at the conclusion of the Seventh (7<sup>th</sup>) Annual General Meeting.
- Ordinary Resolution 10 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**  
The Ordinary Resolution 10, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.  
This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.  
For further information on this resolution, please refer to the Circular to Shareholders dated 24 December 2018 which is despatched together with the Annual Report 2018.
- Special Resolution 1 – Proposed Adoption of a New Company's Constitution**  
The proposed Special Resolution if passed, will bring the Company's Constitution in line with the enforcement of the Companies Act 2016, Bursa Securities ACE Market Listing Requirements and to enhance administrative efficiency. The proposed new Constitution is set out in Part B of the Circular dated 24 December 2018.