



## SCH GROUP BERHAD

(Company No. 972700-P)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("EGM") of SCH Group Berhad ("SCH" or the "Company") will be held at Livia 1, Level UG, Ibis Styles Kuala Lumpur Cheras, Jalan C180/1, Dataran C180, 43200 Cheras, Selangor Darul Ehsan on Monday, 24 October 2016 at 2.00 p.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

#### ORDINARY RESOLUTION 1

**PROPOSED BONUS ISSUE OF 206,117,010 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 IN SCH ("SCH SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS ON THE ENTITLEMENT DATE ("PROPOSED BONUS ISSUE OF WARRANTS")**

"THAT subject to the approvals of all relevant authorities or parties (where required) being obtained, the Board of Directors of the Company ("Board") be and is hereby authorised to issue 206,117,010 Warrants in registered form and constituted by a deed poll ("Deed Poll") to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an Entitlement Date to be determined and announced later by the Board, on the basis of one (1) Warrant for every two (2) existing SCH Shares held;

THAT the Board be and is authorised to fix the exercise price of the Warrants which in any event, shall not be lower than the par value of SCH Shares of RM0.10 each;

THAT fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and shall be dealt with by the Board in such manner as its absolute discretion as it may deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendment to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll, with full power to implement and to give effect to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new SCH Shares arising from the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll;

THAT the new SCH Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing SCH Shares in issue, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the Entitlement Date of which precedes the date of allotment of the said new SCH Shares issued pursuant to the exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue of Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and to take all steps and do all such acts and matters in the manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

#### ORDINARY RESOLUTION 2

**PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM50,000,000.00 COMPRISING 500,000,000 SCH SHARES TO RM100,000,000.00 COMPRISING 1,000,000,000 SCH SHARES ("PROPOSED IASC")**

"THAT, subject to the passing of Ordinary Resolution 1 and the Special Resolution, the authorised share capital of SCH be increased from RM50,000,000.00 comprising 500,000,000 SCH Shares to RM100,000,000.00 comprising 1,000,000,000 SCH Shares;

AND THAT the Board be and is hereby authorised with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board and to take all steps and do all such acts and matters in the manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed IASC."

#### SPECIAL RESOLUTION

**PROPOSED AMENDMENTS TO THE COMPANY'S MEMORANDUM OF ASSOCIATION TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED IASC ("PROPOSED AMENDMENTS")**

"THAT subject to the passing of Ordinary Resolutions 1 and 2, the Memorandum of Association of the Company be amended as follows to facilitate the implementation of the Proposed IASC:-

##### Existing Memorandum of Association

#### **CLAUSE 6 OF THE MEMORANDUM OF ASSOCIATION**

The authorised capital of the Company is RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend capital, voting or otherwise.

##### Proposed Memorandum of Association

#### **CLAUSE 6 OF THE MEMORANDUM OF ASSOCIATION**

The authorised capital of the Company is RM100,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend capital, voting or otherwise.

AND THAT the Board be and is hereby authorised with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board and to take all steps and do all such acts and matters in the manner as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendments."

#### BY ORDER OF THE BOARD

**TAN TONG LANG (MAICSA 7045482)**

**CHONG VOON WAH (MAICSA 7055003)**

Company Secretaries

Kuala Lumpur

30 September 2016

#### Notes:

1. A member of the Company who is entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
4. If the proxy is executed by a corporation, the Proxy Form must be under its common seal or the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee 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.
6. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the EGM or adjourned EGM.
7. Depositors who appear in the Record of Depositors as at 17 October 2016 shall be regarded as a member of the Company and is entitled to attend the EGM or appoint a proxy to attend and vote on his/her behalf.