

SCH GROUP BERHAD

(Company No. 972700-P)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SCH GROUP BERHAD ("SCH" OR "THE COMPANY") HELD AT LOT 35, JALAN CJ 1/1, KAWASAN PERUSAHAAN CHERAS JAYA, 43200 CHERAS, SELANGOR DARUL EHSAN ON FRIDAY, 6 JULY 2018 AT 11.00 A.M.

Present : As per attendance list

1. **CHAIRMAN**

Mr Chan Wan Choon ("the Chairman") presided at the meeting and welcomed the members to the Extraordinary General Meeting ("EGM") of the Company.

2. **QUORUM**

There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 11.00 a.m.

3. **NOTICE**

With the consent of the meeting, the Notice convening the meeting having been circulated within the prescribed period was taken as read.

4. **PRELIMINARY**

Before proceeding with the agendas of the meeting, the Chairman explained to the meeting on how a resolution is determined. He informed that pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.

The Chairman further informed the meeting that Tricor Investor & Issuing House Services Sdn. Bhd. ("Share Registrar") has been appointed as Poll Administrator to conduct the polling process and Asia Securities Sdn Berhad ("Scrutineers") was appointed as Scrutineers to verify the poll results. With the consent of the meeting, the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the EGM.

5. **ORDINARY RESOLUTION 1**

PROPOSED PRIVATE PLACEMENT OF UP TO 103,000,000 NEW ORDINARY SHARES IN SCH ("PLACEMENT SHARES") ("PROPOSED PRIVATE PLACEMENT")

The Chairman briefed the meeting that the first item of the agenda was to seek the shareholders' approval for the following resolution in relation to the Proposed Private Placement :

“THAT approval be and is hereby given for the Company to issue by way of placement of up to 103,000,000 Placement Shares;

THAT the Board be and is hereby authorised to fix the initial placement price of the Placement Shares at RM0.185 per Placement Share and issue up to 60,000,000 Placement Shares to Hextar Holdings Sdn Bhd or its related parties;

THAT the Board be and is hereby authorised to fix the issue price of the other tranches of Placement Shares at a later date after obtaining the relevant approvals for the Proposed Private Placement;

THAT the proceeds of the Proposed Private Placement be utilised for the purposes as set out in the Circular to shareholders of the Company dated 20 June 2018, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby authorised to give effect to the Proposed Private Placement with full power to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company and to take all steps as it may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Private Placement;

THAT such Placement Shares to be issued herein shall rank *pari passu* in all respects with the existing ordinary shares in issue, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the said shares;

AND THAT Board be and is hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions it considers necessary or as may be required to give full effect to and complete the Proposed Private Placement.”

As there was no question raised by the members on the above resolution, the Chairman informed that the polling process would be conducted upon completion of the remaining business of the EGM.

6. **ORDINARY RESOLUTION 2**

PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN TK TENT & AIR-CONDITIONING RENTAL SDN BHD (“TK TENT”), COMPRISING 11,800,000 ORDINARY SHARES IN TK TENT FROM HEXSTAR HOLDINGS SDN BHD (“HHSB”), FOR A CASH CONSIDERATION OF RM50.0 MILLION (“PROPOSED ACQUISITION OF TK TENT”)

The Chairman informed that the next item on the agenda was to approve the following resolution in relation to the Proposed Acquisition of TK Tent :

“THAT subject to the passing of Ordinary Resolution 3 and the approvals of all relevant authorities being obtained where necessary, approval be and is hereby given for SCH to acquire 11,800,000 ordinary shares in TK Tent, representing the entire equity interest in TK Tent from HHSB, for a cash consideration of RM50,000,000 subject to and upon such terms and conditions as set out in the conditional share sale agreement dated 2 February 2018 entered into between the Company and HHSB for the Proposed Acquisition of TK Tent;

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition of TK Tent with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition of TK Tent.”

As there was no question raised by the members on the above resolution, the Chairman informed that the polling process would be conducted upon completion of the remaining business of the EGM.

7. **ORDINARY RESOLUTION 3**
PROPOSED DIVERSIFICATION INTO THE EVENT EQUIPMENT SUPPLY BUSINESS SEGMENT
(“PROPOSED DIVERSIFICATION – EVENT EQUIPMENT”)

The Chairman briefed the meeting that the next item on the agenda was to approve the following resolution in relation to the to the Proposed Diversification into the Event Equipment :

“THAT subject to the passing of Ordinary Resolution 2 and subject further to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant authorities, (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by such relevant authorities), approval be and is hereby given for the Company to diversify its existing business to include the event equipment supply business segment, which might reasonably be expected to result in:

- (a) the diversion of 25.0% or more of the net assets of the Company to an operation which differs widely from those operations previously carried on by the Company; or
- (b) the contribution from such an operation of 25.0% or more of the net profits of the Company,

pursuant to Rule 10.13(1) of the ACE Market Listing Requirements of Bursa Securities;

THAT the Board be and is hereby authorised and empowered to carry out, do all such acts, deeds and things and take all such steps it may consider necessary, and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Board may consider necessary or required to give effect to the Proposed Diversification – Event Equipment;

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification – Event Equipment with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification – Event Equipment.”

As there was no question raised by the members on the above resolution, the Chairman informed that the polling process would be conducted upon completion of the remaining business of the meeting.

8. **ORDINARY RESOLUTION 4**
PROPOSED ACQUISITION OF 83.33% EQUITY INTEREST IN PK FERTILIZERS (SARAWAK) SDN BHD (“PKF SARAWAK”), COMPRISING 15,000,000 ORDINARY SHARES IN PKF SARAWAK FROM PK FERTILIZERS SDN BHD (“PKFSB”) FOR A PURCHASE CONSIDERATION OF RM19,054,811 TO BE SATISFIED VIA A COMBINATION OF CASH AND ORDINARY SHARES IN SCH (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF RM0.19 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION OF PKF SARAWAK”)

The Chairman informed that the next item on the agenda was to approve the following resolution in relation to the Proposed Acquisition of PK Fertilizers Sarawak :

“**THAT** subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities being obtained where necessary, approval be and is hereby given for SCH to acquire 15,000,000 ordinary shares in PKF Sarawak, representing 83.33% equity interest in PKF Sarawak from PKFSB, for a purchase consideration of RM19,054,811 (“Purchase Consideration of PKF Sarawak”), subject to and upon such terms and conditions as set out in the conditional share sale agreement dated 7 March 2018 entered into between the Company and PKFSB for the Proposed Acquisition of PKF Sarawak;

THAT the Purchase Consideration of PKF Sarawak be satisfied by the following:-

- (a) cash payment of RM11,454,811; and
- (b) the issuance of RM7,600,000 in value of Consideration Shares to PKFSB comprising 40,000,000 Consideration Shares at an issue price of RM0.19 per Consideration Share;

THAT such Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SCH Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotment and/or any other forms of distributions, which may be declared, made or paid, for which the entitlement date is prior to the date of allotment and issuance of the Consideration Shares;

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition of PKF Sarawak with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition of PKF Sarawak.”

As there was no question raised by the members on the above resolution, the Chairman informed that the polling process would be conducted upon completion of the remaining business of the meeting.

9. **ORDINARY RESOLUTION 5**
PROPOSED DIVERSIFICATION INTO THE FERTILISER BUSINESS SEGMENT (“PROPOSED DIVERSIFICATION – FERTILISERS”)

The Chairman briefed the meeting that the next item on the agenda was to approve the following resolution in relation to the Proposed Diversification into the Fertiliser Business Segment :

“**THAT**, subject to the passing of Ordinary Resolution 4 and subject further to the ACE Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities, (whether in its original form or with or subject to any condition, modification, variation and/ or amendment imposed by such relevant authorities), approval be and is hereby given for the Company to diversify its existing business to include the fertiliser business segment, which might reasonably be expected to result in:-

- (a) the diversion of 25.0% or more of the net assets of the Company to an operation which differs widely from those operations previously carried on by the Company; or
- (b) the contribution from such an operation of 25.0% or more of the net profits of the Company,

pursuant to Rule 10.13(1) of the ACE Market Listing Requirements of Bursa Securities;

THAT, the Board be and is hereby authorised and empowered to carry out, do all such acts, deeds and things and take all such steps it may consider necessary, and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Board may consider necessary or required to give effect to the Proposed Diversification – Fertilisers;

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification – Fertilisers with full powers to assent to any conditions, modifications, variations and/ or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification – Fertilisers.”

As there was no question raised by the members on the above resolution, the Chairman informed that the polling process would be conducted upon completion of the remaining business of the meeting.

10. **POLLING PROCESS**

The Chairman briefed the meeting on the proceeding of the polling process. He informed that the representatives of the Share Registrar would collect the completed polling forms

from the shareholders / proxies and the results of the poll would be verified by the Scrutineers.

Upon collection of the polling forms, the Chairman, with consent of the meeting, adjourned the meeting at 11.20 a.m. for the counting and verification of the poll results.

11. ANNOUNCEMENT OF POLL RESULTS

At 11.25 a.m., the Chairman called the meeting to order for the declaration of results. He informed that he had received the poll results from the Scrutineers, as Appendix I. The Chairman invited the Scrutineers to read out the poll results to the shareholders and proxies present.

The Chairman informed that based on the poll results, the shareholders / proxies present have voted in favour for all the resolutions set out in the Notice of EGM dated 20 June 2018. In relation thereto, the Chairman thereby declared that all the resolutions set out in the Notice of EGM dated 20 June 2018 were carried.

12. TERMINATION

There being no other business, the meeting ended at 11.35 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings thereat**

- Signed -

Chan Wan Choon
Chairman

APPENDIX I

SCH GROUP BERHAD
 (Company No. 972700-P)
 (Incorporated in Malaysia)

Extraordinary General Meeting
 Lot 35, Jalan CJ 1/1, Kawasan Perusahaan Cheras Jaya,
 Cheras, 43200 Selangor Darul Ehsan
 On 06-July-2018 at 11.00 AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	191,394,317	99.99867	2,550	0.00133	191,396,867	100.00000
Ordinary Resolution 2	191,396,817	99.99997	50	0.00003	191,396,867	100.00000
Ordinary Resolution 3	191,396,817	99.99997	50	0.00003	191,396,867	100.00000
Ordinary Resolution 4	191,396,817	99.99997	50	0.00003	191,396,867	100.00000
Ordinary Resolution 5	191,396,817	99.99997	50	0.00003	191,396,867	100.00000