



GRAND-FLO BERHAD

(607392-W)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting ("AGM" or "Meeting") of GRAND-FLO BERHAD ("Grand-Flo" or "the Company") will be held at Greens 1, Golf Wing, Ground Floor, Tropicana Golf & Country Resort, Off Persiaran Tropicana, Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor on Tuesday, 30 May 2017 at 12.00 p.m. to transact the following businesses:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. **PLEASE REFER TO NOTE (a)**
- To approve the payment of Directors' Fees of RM180,000 for the financial year ended 31 December 2016. **ORDINARY RESOLUTION 1**
- To approve the payment of Directors' Fees and benefits of up to RM180,000 for the financial year ending 31 December 2017. **ORDINARY RESOLUTION 2**
- To re-elect the following Directors who retire by rotation pursuant to Clause 104 of the Company's Constitution:
 - Mr. Yu Chee Sing **ORDINARY RESOLUTION 3**
 - Mr. Cheng Ping Liong **ORDINARY RESOLUTION 4**
- To note the retirement of Tan Sri Datuk Adzmi bin Abdul Wahab as Director of the Company at the conclusion of the Fourteenth AGM. **PLEASE REFER TO NOTE (b)**
- To re-appoint Messrs. SJ Grant Thornton 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 5**

As Special Business :

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

- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – YU CHEE SING** **ORDINARY RESOLUTION 6**

"THAT subject to the passing of Ordinary Resolution 3, approval be and is hereby given to Mr. Yu Chee Sing 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 pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012."

- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – CHEONG KEE YOONG** **ORDINARY RESOLUTION 7**

"THAT approval be and is hereby given to Mr. Cheong Kee Yoong who would have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years on 1 July 2017, to continue to act as an Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012."

- GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 8**

"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 allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
- PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **ORDINARY RESOLUTION 9**

"THAT subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of any other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company's issued share capital ("Grand-Flo Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- the aggregate number of Grand-Flo Shares bought-back and/or held as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company subject to a restriction that the issued share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements;
- the maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained earnings of the Company; and
- the Grand-Flo Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manner:
 - cancel the purchased Grand-Flo Shares;
 - retain the purchased Grand-Flo Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
 - retain part of the purchased Grand-Flo Shares as treasury shares and cancel the remainder,

AND THAT such authority shall commence immediately upon the passing of this resolution until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- the expiration of the period within which the next AGM after that date it is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Grand-Flo 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 other relevant government and/or regulatory authorities;

AND FURTHER 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 they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Grand-Flo Shares."

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **ORDINARY RESOLUTION 10**

"THAT, authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries to enter into any of the transactions with the related parties as set out in Section 1.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate dated 28 April 2017 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution until:

- the conclusion of the next annual general meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company."

- To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By order of the Board

TEA SOR HUA (MACS 01324)

Company Secretary

Date: 28 April 2017

Petaling Jaya, Selangor Darul Ehsan

Notes:

- The Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders and hence, is not put forward for voting.
- Tan Sri Datuk Adzmi bin Abdul Wahab ("Tan Sri Datuk Adzmi") who is above the age of 70 was re-appointed pursuant to Section 129 of the Companies Act, 1965 at the previous AGM of the Company held on 15 June 2016 to hold office until the conclusion of the Fourteenth AGM. He has expressed his intention not to seek re-appointment and therefore he shall retire as Director of the Company at the conclusion of the said AGM. The Company would like to gratefully acknowledge and thank Tan Sri Datuk Adzmi for his contribution to the success of the Company during his tenure as our Independent Non-Executive Chairman.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
- A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an officer or attorney so authorised.
- To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated 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 forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 65(3) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 May 2017. Only members whose names appear in the General Meeting Record of Depositors as at 23 May 2017 shall be regarded as members and entitled to attend, speak and vote at the Fourteenth AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Item 7 of the Agenda

The Nomination Committee of the Company has assessed the independence of Mr. Yu Chee Sing, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company. The justifications are stated in the Statement on Corporate Governance of the Annual Report for the financial year ended 31 December 2016 ("Annual Report 2016").

2. Item 8 of the Agenda

The Nomination Committee of the Company has also assessed the independence of Mr. Cheong Kee Yoong, who would have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years on 1 July 2017, and recommended him to continue to act as an Independent Non-Executive Director of the Company. The justifications are stated in the Statement on Corporate Governance of the Annual Report 2016.

3. Item 9 of the Agenda

The Ordinary Resolution proposed under item 9 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. This Ordinary Resolution, if passed, will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM.

This general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 15 June 2016 which will lapse at the conclusion of the Fourteenth AGM.

4. Item 10 of the Agenda

The Ordinary Resolution proposed under item 10 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's total number of issued shares at any point of time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Share Buy-Back Statement to Shareholders dated 28 April 2017 for further details.

5. Item 11 of the Agenda

The Ordinary Resolution proposed under item 11 of the Agenda if passed, will give the mandate for the Company and/or subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Further information is set out in the Circular to Shareholders dated 28 April 2017.