

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifteenth Annual General Meeting (“AGM” or “Meeting”) of GRAND-FLO BERHAD (“Grand-Flo” or “the Company”) will be held at Greens III, Ground Floor, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 25 June 2018 at 10.00 a.m. to transact the following business:-

### AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of a Final Single-Tier Dividend of 0.6 sen per ordinary share for the financial year ended 31 December 2017.
- To approve the Directors’ fees and benefits of up to RM357,000 for the financial year ending 31 December 2018.
- To re-elect the following Directors who retire by rotation pursuant to Clause 104 of the Company’s Constitution: -
  - Mr. Cheong Kee Yoong
  - Mr. Chuah Chew Hai
- To re-elect the following Directors who retire pursuant to Clause 110 of the Company’s Constitution: -
  - Tan Sri Azlan Bin Mohd Zainol
  - Mr. Lee Eng Eow
  - Ms. Joyce Wong Ai May
- To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

#### As Special Business:

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

#### 7. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

- “THAT Mr. Yu Chee Sing, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company.”
- “THAT subject to the passing of Ordinary Resolution 3, Mr. Cheong Kee Yoong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company.”

#### 8. GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), 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 (“Bursa Securities”) 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 AGM of the Company.”

#### 9. 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”)

“THAT subject always to 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 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 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.”

#### 10. 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”)

“THAT, authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, 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 30 April 2018 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 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

**PLEASE REFER TO NOTE (a)**

#### ORDINARY RESOLUTION 1

#### ORDINARY RESOLUTION 2

#### ORDINARY RESOLUTION 3 ORDINARY RESOLUTION 4

#### ORDINARY RESOLUTION 5 ORDINARY RESOLUTION 6 ORDINARY RESOLUTION 7

#### ORDINARY RESOLUTION 8

#### ORDINARY RESOLUTION 9

#### ORDINARY RESOLUTION 10

#### ORDINARY RESOLUTION 11

#### ORDINARY RESOLUTION 12

#### ORDINARY RESOLUTION 13

- 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 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.

#### NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Final Single-Tier Dividend of 0.6 sen per ordinary share in respect of the financial year ended 31 December 2017, if approved by the shareholders at the Fifteenth AGM of the Company, will be paid on 25 July 2018 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12 July 2018.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the Depositor’s Securities Account before 4.00 p.m. on 12 July 2018 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board

#### TEA SOR HUA (MACS 01324)

Company Secretary

Date: 30 April 2018

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.
- 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.
- 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 19 June 2018. Only members whose names appear in the General Meeting Record of Depositors as at 19 June 2018 shall be regarded as members and entitled to attend, speak and vote at the Fifteenth AGM.
- All the resolutions set out in this Notice of Meeting will be put to vote by poll.

#### EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

##### 1. Item 3 of the Agenda

The Directors’ fees and benefits proposed for the period from 1 January 2018 to 31 December 2018 are calculated based on the current Board size and number of scheduled Board and Committee meetings for 2018. This resolution is to facilitate payment of Directors’ fees and benefit on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

##### 2. Item 7 of the Agenda

The Board has assessed the independence of Mr. Yu Chee Sing and Mr. Cheong Kee Yoong, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years and nine (9) years, respectively. The Board is satisfied that they have met the independence and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justification:

- they have declared and confirmed that they fulfilled the independence guidelines as set out in Chapter 1 of the Listing Requirements of Bursa Securities;
- they have vast experience in their respective industries which could provide the Board with a diverse set of experience, expertise and independent judgement;
- they have good knowledge of the Company’s business operations;
- they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and
- they have exercised due care during their tenure as Independent Non-Executive Director of the Company and carried out their professional duties in the best interest of the Company and shareholders.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the retention of Mr. Yu Chee Sing who has served as an Independent Non-Executive Director of the company for a cumulative term of more than twelve (12) years, the approval of the shareholders at the Meeting will be sought through a two-tier voting process.

##### 3. Item 8 of the Agenda

The Ordinary Resolution 11 proposed under item 8 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 30 May 2017 which will lapse at the conclusion of the Fifteenth AGM.

##### 4. Item 9 of the Agenda

The Ordinary Resolution 12 proposed under item 9 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 30 April 2018 for further details.

##### 5. Item 10 of the Agenda

The Ordinary Resolution 13 proposed under item 10 of the Agenda, if passed, will give the mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Listing Requirements of Bursa Securities.

Further information is set out in the Circular to Shareholders dated 30 April 2018.