

NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of MESB Berhad will be held at Room 1, Level 2, Hotel Sri Petaling, 30, Jalan Radin Annum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Wednesday, 27 September 2017 at 9.30 a.m. for the following purposes:

AGENDA

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| <p>1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon.</p> | <p>Please refer to Explanatory Note (i)</p> |
| <p>2. To re-elect the following Directors who are retiring pursuant to the Constitution of the Company:
(i) Saffie Bin Bakar – Article 78
(ii) Chua Jin Kau – Article 85</p> | <p>RESOLUTION 1
RESOLUTION 2
RESOLUTION 3
RESOLUTION 4</p> |
| <p>3. To approve the payment of Directors' fees amounting to RM107,000 for the financial year ended 31 March 2017.</p> | <p>RESOLUTION 5</p> |
| <p>4. To approve the payment of Meeting Attendance Allowance to the Non-Executive Directors of the Company amounting to RM62,000 for the period from 1 February 2017 until the next Annual General Meeting.</p> | <p>RESOLUTION 5</p> |
| <p>5. To re-appoint Messrs KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.</p> | <p>RESOLUTION 5</p> |

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following Ordinary Resolutions with or without modifications:

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| <p>6. Ordinary Resolution
- Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposal")
"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions as specified in Section 2.4 (a) of the Circular to Shareholders dated 31 July 2017, provided that such arrangements and/or transactions are:
(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out on arm's length basis, in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders.
AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:
(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting;
(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
(c) revoked or varied by resolution passed by shareholders in general meeting, whichever is the earlier.
AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposal, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."</p> | <p>RESOLUTION 6</p> |
| <p>7. Ordinary Resolution
- Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("New Proposal")
"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions as specified in Section 2.4(b) of the Circular to Shareholders dated 31 July 2017, provided that such arrangements and/or transactions are:
(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out on arm's length basis, in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders.
AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:
(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting;
(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
(c) revoked or varied by resolution passed by shareholders in general meeting, whichever is the earlier.
AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the New Proposal, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."</p> | <p>RESOLUTION 7</p> |
| <p>8. Ordinary Resolution
- Continuing in Office as Independent Non-Executive Director
"THAT subject to the passing of Resolution 1, authority be and is hereby given to Encik Saffie bin Bakar, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company."</p> | <p>RESOLUTION 8</p> |
| <p>9. Ordinary Resolution
- Authority to Issue and Allot Shares
"THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act, 2016 to issue and allot not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act, 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."</p> | <p>RESOLUTION 9</p> |
| <p>10. To transact any other ordinary business of the Company for which due notice shall have been given.</p> | |

BY ORDER OF THE BOARD

LIM LEE KUAN (MAICSA 7017753)
TEO MEE HUI (MAICSA 7050642)
Company Secretaries

Kuala Lumpur
Dated this 31st day of July 2017

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- A member shall be entitled to appoint only one proxy to attend and vote at the same meeting.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint only 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 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.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PUJ 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
- The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the meeting is on 19 September 2017.

Explanatory Notes on Ordinary and Special Business:

- Item 1 of the Agenda**
The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248 and Section 340 (1)(a) of the Companies Act, 2016 ("the Act") does not require a formal approval of the shareholders and hence this item is not put forward for voting.
- Ordinary Resolutions 3 and 4**
Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 22nd Annual General Meeting for the following payment to the Directors:-
- Resolution 3 on payment of Directors' fees for the financial year ended 31 March 2017; and
- Resolution 4 on payment of Meeting Attendance Allowance for the period from 1 February 2017 until the next Annual General Meeting ("Relevant Period").
The payment of the Directors' fees in respect of the financial year ended 31 March 2017 will only be made if the proposed Resolution 3 has been passed at the Annual General Meeting pursuant to Article 87 of the Company's Constitution and Section 230(1) of the Companies Act, 2016.
Payment of Meeting Attendance Allowance will be made by the Company to the Non-Executive Directors as and when incurred if the proposed Resolution 4 has been passed at the 22nd Annual General Meeting. The Board is of the view that it is just and equitable for the Directors to be paid such payment as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period as stated herein.
- Ordinary Resolution 6**
- **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposal")**
Further information on the Proposal is set out in the Circular to Shareholders dated 31 July 2017, which is circulated together with the 2017 Annual Report of the Company.
- Ordinary Resolution 7**
- **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("New Proposal")**
Further information on the New Proposal is set out in the Circular to Shareholders dated 31 July 2017, which is circulated together with the 2017 Annual Report of the Company.
- Ordinary Resolution 8**
- **Continuing in Office as Independent Non-Executive Director**
The Nomination Committee and the Board of Directors had assessed the independence of Encik Saffie Bin Bakar, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and recommended Encik Saffie Bin Bakar to continue acting as an Independent Non-Executive Director of the Company based on the following justifications:
a. he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to provide check and balance and bring an element of objectivity to the Board;
b. he was not appointed by the current controlling shareholder and hence the issue on special relationship with or loyalty to the controlling shareholder does not arise;
c. he had devoted sufficient time and attention to his professional obligations for informed and balanced decision making by actively participating in board discussion and provided an independent voice to the Board; and
d. he had exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and the shareholders.
- Ordinary Resolution 9**
- **Authority to Issue and Allot Shares**
The proposed Ordinary Resolution 9, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
This is the renewal of the mandate obtained from the shareholders at the last Annual General Meeting ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised. The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.