

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting (“**18th AGM**”) of TH Heavy Engineering Berhad (“**Company**”) will be held as a virtual meeting at the following date, time and venue to transact the following business:-

Day and date : Thursday, 16 June 2022
Time : 10:30 a.m.
Broadcast Venue : Board Room of TH Heavy Engineering Berhad,
Level 28, MOF Inc. Tower, No. 9, Persiaran KLCC,
50088 Kuala Lumpur, Wilayah Persekutuan

Online Meeting Platform : Securities Services e-Portal at <https://sshsb.net.my/login.aspx>

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021, together with the Reports of the Directors and the Auditors thereon. ***Please refer to Explanatory Note (A)***
2. To approve the payments of the following Directors’ fees to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2022:- ***Resolution 1***
 - i) Chairman’s fee of RM80,000 per annum for the Company;
 - ii) Chairman’s fee of RM40,000 per annum for the active subsidiaries;
 - iii) Directors’ fee of RM60,000 per annum for each Non-Executive Director of the Company;
 - iv) Directors’ fee of RM30,000 per annum for each Non-Executive Director of the active subsidiaries;
3. To approve the payment of benefits payable to the Non-Executive Directors of the Company and its subsidiaries, based on the Directors’ benefits structure, with effect from a day after the 18th AGM until the next Annual General Meeting (“**AGM**”) of the Company in year 2023. ***Resolution 2***
4. To approve the payment of allowance amounting to RM140,000 for the temporary Executive Committee of the Company from the period of 1 October 2021 to 31 January 2022. ***Resolution 3***
5. To re-elect Encik Ahmad Al Farouk Bin Ahmad Kamal who is retiring pursuant to Clause 123 of the Company's Constitution and being eligible, have offered himself for re-election. ***Resolution 4***
6. To re-elect the following Directors of the Company, who are retiring pursuant to Clause 122 of the Company's Constitution and being eligible, have offered themselves for re-election:- ***Resolution 5***
 - 6.1 Encik Zainal ‘Abidin Bin Abd Jalil; and ***Resolution 6***
 - 6.2 Dr. Mazatul ‘Aini Shahar Binti Abdul Malek Shahar.
7. To re-appoint Messrs. UHY as auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Resolution 7***

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As Special Business

To consider and, if thought fit, to pass the following resolution with or without any modification:-

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

Resolution 8

“THAT subject always to the Companies Act 2016, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Board of Directors be and is hereby empowered to issue and allot shares in the Company at any time to such persons until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being, to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to its’ letters dated 16 April 2020 and 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities;

AND that the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND that such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)

TAN LEY THENG (SSM PC No. 201908001685) (MAICSA 7030358)

Company Secretaries

Kuala Lumpur
29 April 2022

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EXPLANATORY NOTE A:-

Audited Financial Statements for the financial year ended 31 December 2021

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(1) Payments of Directors' Fees

The proposed payment of Directors' fees to the Non-Executive Directors of the Company and its subsidiaries in respect of the financial year ending 31 December 2022 shall be based on the fee structure below:-

Entity	Chairman	Non-Executive Directors
The Company	RM80,000 per annum	RM60,000 per person per annum
Active Subsidiaries	RM40,000 Per annum	RM30,000 Per person per annum

(2) Payment of Directors' Benefits

The Company wishes to seek its shareholders' approval of the Directors' benefits payable to the Non-Executive Directors of the Company and its subsidiaries, based on the benefits structure below, with effect from a day after the 18th AGM until the next AGM of the Company in year 2023 ("**Period**"). The Directors' benefits payable for the Period comprise solely meeting allowance, which will only be accorded based on various factors, among others, the size of the Board and Board Committees as well as the actual attendance of meetings by the Directors:-

Benefits	Fees (RM)
The Company	
Board Meeting Allowance	
- Chairman	1,000 per meeting
- Directors	1,000 per meeting
Board Sub-Committees' Meeting Allowance	
- Chairman	500 per meeting
- Directors	500 per meeting
Active Subsidiaries	
Board Meeting Allowance	750 per meeting

(3) Payment of Allowance for temporary Executive Committee

Following the resignation of Encik Mohamed Niza Bin Abu Bakar as the Executive Director of the Company on 1 October 2021, the Board of Directors had formed a temporary Executive Committee comprising three (3) Directors of the Company. The formation of the Executive Committee is a temporary measure to ensure business and operational continuity within the Company while the Board of Directors considered a suitable candidate to be appointed as the Chief Executive Officer of the Company. The proposed payment shall be based on the fee structure below:

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	Fees (RM)
Chairman	15,000 per month
Members	10,000 per month

The Executive Committee was subsequently dissolved on 31 January 2022, upon the Chief Executive Officer of the Company was appointed on 1 February 2022.

(4) Retirement of Directors

Dato' Indera Dr. Haji Md. Yusop Bin Omar and Dr. Ir. Samad Bin Solbai who retire in accordance with Clause 123 of the Company's Constitution, have expressed their intention not to seek re-election. Hence, they will hold office as Directors of the Company until the conclusion of the 18th AGM.

(5) Authority to Issue Shares

The Company wishes to renew the mandate on the authority to allot and issue shares pursuant to the Companies Act 2016 at the 18th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the 17th AGM of the Company held on 30 June 2021 (hereinafter referred to as the "**Previous Mandate**"). As at the date of this notice of 18th AGM, the Company did not implement any proposal for new allotment of shares under the Previous Mandate.

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As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the Coronavirus Disease ("**COVID-19**") outbreak and Movement Control Order imposed by the Government, Bursa Securities had via its letter dated 16 April 2020 granted several additional relied measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of Main Market Listing Requirements ("**MMLR**") of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares for issue of new securities) ("**20% General Mandate**").

On 23 December 2021, Bursa Securities had via its letter, further extended the 20% General Mandate for another twelve (12) months to listed issuers under the same prescribed conditions as previously imposed.

Accordingly, the 20% General Mandate may be utilised by listed issuers to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated as per Paragraph 6.03(1) of the MMLR of Bursa Securities.

The Board believes that the Company requires a flexible and readily available method of raising capital, to allow the Company to capture suitable prospective investment opportunities in a timely manner.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group to sustain the business, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders, on the following basis:-

- the proposed 20% General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expeditiously for its operations, future expansion and business development.
- the proposed 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital areas;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the proposed 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities if and when they are identified.

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This 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion.

The 10% general mandate's authority unless revoked or varied by the Company in general meeting, will expire at the next AGM.

The proceeds raised from the 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(6) Retention of Independent Non-Executive Directors

Mr. Too Kok Leng was appointed as an Independent Non-Executive Director of the Company on 28 January 2008 and therefore, has served the Board in that capacity for a cumulative term of more than twelve (12) years.

At the Seventeenth AGM of the Company held on 30 June 2021, Mr. Too Kok Leng was retained to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

Mr. Too Kok Leng has indicated his intention to retire as an Independent Non-Executive Director at the 18th AGM of the Company. Hence, Mr. Too Kok Leng shall hold office as an Independent Non-Executive Director until the conclusion of the 18th AGM of the Company.

Dr. Ir. Samad Bin Solbai and Dato' Indera Dr. Haji Md. Yusop Bin Omar were appointed as Independent Non-Executive Directors of the Company on 25 May 2012. Therefore, they have served the Board in that capacity for a cumulative term of more nine (9) years.

At the Seventeenth AGM of the Company held on 30 June 2021, Dr. Ir. Samad Bin Solbai and Dato' Indera Dr. Haji Md. Yusop Bin Omar were retained to continue to serve as Independent Non-Executive Directors of the Company until the conclusion of the next AGM.

Dr. Ir. Samad Bin Solbai and Dato' Indera Dr. Haji Md. Yusop Bin Omar have indicated their intention to retire as Independent Non-Executive Directors at the 18th AGM of the Company. Hence, Dr. Ir. Samad Bin Solbai and Dato' Indera Dr. Haji Md. Yusop Bin Omar shall hold office as Independent Non-Executive Directors until the conclusion of the 18th AGM of the Company.

Notes:-

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 June 2022 shall be eligible to attend the Meeting.
- (2) A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the same Meeting. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, he or she specifies the proportion of his or her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- (3) A proxy needs not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (4) Where a member of the company is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, he or she 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.

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- (5) Where a member of the Company is an exempt authorised nominee who holds Deposited Securities 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.
- (6) The instrument appointing a proxy shall be in writing under the hand of the member or his or her attorney duly authorised in writing or, if the member is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (7) The instrument appointing a proxy shall be deposited at the office of the Company's Share Registrar at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There was no Director standing for election at the forthcoming 18th AGM of the Company.