

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighth Annual General Meeting of GRAND-FLO SOLUTION BERHAD will be held at Greens II, Main Wing, First Floor, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 22 June 2011 at 10.30 a.m. to transact the following business:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note i***
2. To declare a final tax exempt dividend of 10% for the financial year ended 31 December 2010. ***(Resolution 1)***
3. To approve the payment of Directors' fees for the financial year ended 31 December 2010. ***(Resolution 2)***
4. To re-elect the following Directors who retire in accordance with Article 104 of the Company's Articles of Association :
  - i. Mr. Tan Chuan Hock ***(Resolution 3)***
  - ii. Mr. Yu Chee Sing ***(Resolution 4)***
  - iii. Mr. Thongkam Manasilapapan ***(Resolution 5)***
  - iv. Mr. Wan Kok Weng ***(Resolution 6)***
5. To re-elect Tan Sri Datuk Adzmi bin Abdul Wahab who retires in accordance with Article 110 of the Company's Articles of Association. ***(Resolution 7)***
6. 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. ***(Resolution 8)***

### **As Special Business :**

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

7. **ORDINARY RESOLUTION 1**  
**GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** ***(Resolution 9)***

"THAT pursuant to Section 132D of the Companies Act, 1965, 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 issued share capital 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."

# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

8. **ORDINARY RESOLUTION 2**  
**PROPOSED RENEWAL OF THE AUTHORITY FOR THE SHARE BUY-BACK SCHEME OF GRAND-FLO SOLUTION BERHAD (“GRAND-FLO” OR “THE COMPANY”) TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF GRAND-FLO (“PROPOSED RENEWAL”)** *(Resolution 10)*

“THAT, subject always to the Companies Act, 1965 (“the Act”), the provisions of the Memorandum and Articles of Association of the Company, the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“ACE LR”) and the approvals of any other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by the law, to buy-back and/or hold such amount of ordinary shares of RM0.10 each in the Company (“Grand-Flo Shares”), as may be determined by the Directors of the Company from time to time, through Bursa Securities upon such terms and conditions for such purposes as the Directors may deem fit and expedient in the interest of the Company provided that:-

- i. The aggregate number of Grand-Flo Shares bought-back and/or held as treasury shares does not exceed 10% of the total issued and paid up ordinary share capital of the Company subject to a restriction that the issued and paid up share capital of the Company does not fall below the applicable minimum share capital requirement and the public shareholding spread requirement of the ACE LR;
- ii. The maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits and the share premium account of the Company; and
- iii. The Grand-Flo Shares purchased pursuant to the Proposed Renewal are to be treated in any of the following manners:-
  - a) Cancel the purchased Grand-Flo Shares;
  - b) Retain the purchased Grand-Flo Shares as treasury shares to be held by the Company; or
  - c) Retain part of the purchased Grand-Flo Shares as treasury shares to be held by the Company and cancel the remainder;

as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the ACE LR and any other relevant governmental and/or regulatory authorities. The treasury shares may be distributed as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled;

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:-

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this resolution was passed, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii. the expiration of the period within which the next AGM after the date it is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

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 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 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.”

9. **SPECIAL RESOLUTION**  
**PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** *(Resolution 11)*

“THAT the existing Article 159 of the Articles of Association of the Company be deleted in its entirety and substituted with the new Article 159 as set out below:-

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or by direct crediting the dividend entitlements to the bank account of the holder (as provided to the Bursa Depository from time to time) (“eDividend”) who is named on the register of Members or Record of Depositors or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or direct crediting to the holder’s bank account shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or there is discrepancy given by the Member in the details of bank account(s). Every such cheque or warrant shall be sent or direct credited at the risk of the person entitled to the money thereby represented. Where the holders have provided to the Bursa Depository the relevant contact details for the purposes of electronic notifications in connection with eDividend, the Company shall notify them electronically once the Company has paid the cash dividends out of its account.

AND THAT the Directors and the Secretaries of the Company be and hereby authorised to do all acts, things and deeds which are necessary to give effect to the Proposed Amendment to the Articles of Association of the Company.”

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

## **NOTICE OF DIVIDEND ENTITLEMENT**

**NOTICE IS ALSO HEREBY GIVEN** that a final tax exempt dividend of 10% in respect of the financial year ended 31 December 2010, if approved by the shareholders at the Annual General Meeting of the Company, will be paid on 5 August 2011 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 July 2011.

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

- i. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 July 2011 in respect of ordinary transfers; and
- ii. Shares bought on the Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By order of the Board

**TEA SOR HUA (MACS 01324)**  
**CHAN BEE FANG (MAICSA 7032385)**  
Company Secretaries

Date : 31 May 2011  
Petaling Jaya, Selangor

### **Notes:**

- i. The Agenda No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders and hence, is not put forward for voting.
- ii. 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.
- iii. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- v. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## EXPLANATORY NOTE TO SPECIAL BUSINESS

### Ordinary Resolution 1

The Ordinary Resolution 1 proposed under Agenda 7 is primarily to give flexibility to the Board of Directors of the Company to allot and issue shares in the Company of up to and not exceeding 10% of the total issued share capital of the Company for the time being at their absolute discretion without convening a general meeting. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this notice, no new shares were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 28 June 2010 and it will lapse at the conclusion of the Eighth Annual General Meeting of the Company.

The renewal of the above mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or settlement of banking facilities.

### Ordinary Resolution 2

The Ordinary Resolution 2 proposed under Agenda 8 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 issued and paid-up share capital at any point of time, by utilizing the amount allocated which shall not exceed the total retained profits and/or share premium account of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

Please refer to the Share Buy Back Statement to Shareholders dated 31 May 2011 for further details.

### Special Resolution

The Special Resolution proposed under Agenda 9 is to amend the Articles of Association of the Company to facilitate the implementation of the Electronic Dividend payment ("eDividend") in line with the amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad pertaining to the eDividend.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors standing for re-election at the Eighth Annual General Meeting of the Company are as follows:-

- i. Mr. Tan Chuan Hock (Article 104)
- ii. Mr. Yu Chee Sing (Article 104)
- iii. Mr. Thongkam Manasilapapan (Article 104)
- iv. Mr. Wan Kok Weng (Article 104)
- v. Tan Sri Datuk Adzmi bin Abdul Wahab (Article 110)

Article 104 – At least one-third of the Directors for the time being shall retire from Office provided that all Directors, shall retire from office once at least in every three years but shall be eligible for re-election.

Article 110 – Any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

2. Details of Directors who are standing for re-election are set out in the Directors' Profile Section (page 13 to 16 of the Annual Report); while details of their interest in the securities of the Company are set out in the Analysis of Shareholdings – Directors' Shareholdings and Directors' Warrantholdings, which appear on page 90 to 94 of this Annual Report.