



**SCH GROUP BERHAD**  
(Company No. 972700-P)  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("EGM") of SCH Group Berhad ("SCH" or the "Company") will be convened and held at Lot 35, Jalan CJ 1/1, Kawasan Perusahaan Cheras Jaya, Cheras, 43200 Selangor Darul Ehsan on Friday, 6 July 2018 at 11.00 a.m. for the purpose of considering and, if thought fit, to pass the following resolutions:-

### ORDINARY RESOLUTION 1

**PROPOSED PRIVATE PLACEMENT OF UP TO 103,000,000 NEW ORDINARY SHARES IN SCH ("PLACEMENT SHARES") ("PROPOSED PRIVATE PLACEMENT")**

"THAT approval be and is hereby given for the Company to issue by way of placement of up to 103,000,000 Placement Shares;

**THAT** the Board be and is hereby authorised to fix the initial placement price of the Placement Shares at RM0.185 per Placement Share and issue up to 60,000,000 Placement Shares to Hextar Holdings Sdn Bhd or its related parties;

**THAT** the Board be and is hereby authorised to fix the issue price of the other tranches of Placement Shares at a later date after obtaining the relevant approvals for the Proposed Private Placement;

**THAT** the proceeds of the Proposed Private Placement be utilised for the purposes as set out in the Circular to shareholders of the Company dated 20 June 2018, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

**THAT** the Board be and is hereby authorised to give effect to the Proposed Private Placement with full power to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company and to take all steps as it may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Private Placement;

**THAT** such Placement Shares to be issued herein shall rank *pari passu* in all respects with the existing ordinary shares in issue, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the said shares;

**AND THAT** Board be and is hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions it considers necessary or as may be required to give full effect to and complete the Proposed Private Placement."

### ORDINARY RESOLUTION 2

**PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN TK TENT & AIR-CONDITIONING RENTAL SDN BHD ("TK TENT"), COMPRISING 11,800,000 ORDINARY SHARES IN TK TENT FROM HEXTAR HOLDINGS SDN BHD ("HHSB"), FOR A CASH CONSIDERATION OF RM50.0 MILLION ("PROPOSED ACQUISITION OF TK TENT")**

"THAT subject to the passing of Ordinary Resolution 3 and the approvals of all relevant authorities being obtained where necessary, approval be and is hereby given for SCH to acquire 11,800,000 ordinary shares in TK Tent, representing the entire equity interest in TK Tent from HHSB, for a cash consideration of RM50,000,000 subject to and upon such terms and conditions as set out in the conditional share sale agreement dated 2 February 2018 entered into between the Company and HHSB for the Proposed Acquisition of TK Tent;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition of TK Tent with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition of TK Tent."

### ORDINARY RESOLUTION 3

**PROPOSED DIVERSIFICATION INTO THE EVENT EQUIPMENT SUPPLY BUSINESS SEGMENT ("PROPOSED DIVERSIFICATION – EVENT EQUIPMENT")**

"THAT subject to the passing of Ordinary Resolution 2 and subject further to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by such relevant authorities), approval be and is hereby given for the Company to diversify its existing business to include the event equipment supply business segment, which might reasonably be expected to result in:-

(a) the diversion of 25.0% or more of the net assets of the Company to an operation which differs widely from those operations previously carried on by the Company; or

(b) the contribution from such an operation of 25.0% or more of the net profits of the Company,

pursuant to Rule 10.13(1) of the ACE Market Listing Requirements of Bursa Securities;

**THAT** the Board be and is hereby authorised and empowered to carry out, do all such acts, deeds and things and take all such steps it may consider necessary, and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's common seal, where necessary) as the Board may consider necessary or required to give effect to the Proposed Diversification – Event Equipment;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification – Event Equipment with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification – Event Equipment."

### ORDINARY RESOLUTION 4

**PROPOSED ACQUISITION OF 83.33% EQUITY INTEREST IN PK FERTILIZERS (SARAWAK) SDN BHD ("PKF SARAWAK"), COMPRISING 15,000,000 ORDINARY SHARES IN PKF SARAWAK FROM PK FERTILIZERS SDN BHD ("PKFSB") FOR A PURCHASE CONSIDERATION OF RM19,054,811 TO BE SATISFIED VIA A COMBINATION OF CASH AND ORDINARY SHARES IN SCH ("CONSIDERATION SHARES") AT AN ISSUE PRICE OF RM0.19 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION OF PKF SARAWAK")**

"THAT subject to the passing of Ordinary Resolution 5 and the approvals of all relevant authorities being obtained where necessary, approval be and is hereby given for SCH to acquire 15,000,000 ordinary shares in PKF Sarawak, representing 83.33% equity interest in PKF Sarawak from PKFSB, for a purchase consideration of RM19,054,811 ("Purchase Consideration of PKF Sarawak"), subject to and upon such terms and conditions as set out in the conditional share sale agreement dated 7 March 2018 entered into between the Company and PKFSB for the Proposed Acquisition of PKF Sarawak;

**THAT** the Purchase Consideration of PKF Sarawak be satisfied by the following:-

(a) cash payment of RM11,454,811; and

(b) the issuance of RM7,600,000 in value of Consideration Shares to PKFSB comprising 40,000,000 Consideration Shares at an issue price of RM0.19 per Consideration Share;

**THAT** such Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SCH Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotment and/or any other forms of distributions, which may be declared, made or paid, for which the entitlement date is prior to the date of allotment and issuance of the Consideration Shares;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition of PKF Sarawak with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition of PKF Sarawak."

### ORDINARY RESOLUTION 5

**PROPOSED DIVERSIFICATION INTO THE FERTILISER BUSINESS SEGMENT ("PROPOSED DIVERSIFICATION – FERTILISERS")**

"THAT, subject to the passing of Ordinary Resolution 4 and subject further to the ACE Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities, (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by such relevant authorities), approval be and is hereby given for the Company to diversify its existing business to include the fertiliser business segment, which might reasonably be expected to result in:-

(a) the diversion of 25.0% or more of the net assets of the Company to an operation which differs widely from those operations previously carried on by the Company; or

(b) the contribution from such an operation of 25.0% or more of the net profits of the Company,

pursuant to Rule 10.13(1) of the ACE Market Listing Requirements of Bursa Securities;

**THAT**, the Board be and is hereby authorised and empowered to carry out, do all such acts, deeds and things and take all such steps it may consider necessary, and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's common seal, where necessary) as the Board may consider necessary or required to give effect to the Proposed Diversification – Fertilisers;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification – Fertilisers with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification – Fertilisers."

### BY ORDER OF THE BOARD

**TAN TONG LANG (MAICSA 7045482)**

**CHONG YOON WAH (MAICSA 7055003)**

Company Secretaries

Kuala Lumpur

20 June 2018

### Notes:-

(1) For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors ("ROD") as at 29 June 2018 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

(2) A member entitled to attend and vote at the above 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.

(3) A member may appoint up to 2 proxies to attend at the same meeting. Where a member appoints 2 proxies, the proxies shall not be valid unless the member specifies the proportions of his shareholdings to be represented by each proxy.

(4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.

(5) Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be 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 in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

(7) The instrument appointing a proxy must be deposited at the Share Registrar's Office of the Company 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 24 hours before the time appointed for holding the meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the resolutions set out in the Notice of General Meeting to be put to vote by poll.