

**HOCK SENG LEE BERHAD**  
**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Thirtieth Annual General Meeting (“AGM”) of Hock Seng Lee Berhad (“the Company”) will be held at Riverside Majestic Hotel, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, Malaysia at 9.00 am on 25 May 2011 for the following business:

<b>ORDINARY BUSINESS</b>	<b>RESOLUTION</b>
1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.	1
2. To approve the payment of a final ordinary dividend of 6% per share less tax at 25% for the year ended 31 December 2010 as recommended by the Directors.	2
3. To approve the payment of a special dividend of 3% per share less tax at 25% for the year ended 31 December 2010 as recommended by the Directors.	3
4. To approve the payment of Directors' fee of up to RM175,000 (2010:RM175,000) for the financial year ending 31 December 2011.	4
5. To re-elect as a Director, Mr Lau Kiing Kang, who retires by rotation pursuant to Article 115 of the Company's Article of Association.	5
6. To re-elect as a Director, Mr Yii Chee Sing, who retires by rotation pursuant to Article 115 of the Company's Article of Association.	6
7. To re-elect as a Director, Mr Lau Kiing Yiing, who retires by rotation pursuant to Article 115 of the Company's Article of Association.	7
8. To re-appoint Messrs KPMG as auditors of the Company and to authorise the Board of Directors to fix their remuneration.	8

**SPECIAL BUSINESS**

**To consider and if thought fit, pass the following Ordinary Resolutions:**

9. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** 9
- “**THAT**, subject to the Companies Act, 1965, the Company's Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.20 each (“Shares”) in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company (“Directors”) from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased or to be purchased pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company **AND THAT** an amount not exceeding the Company's latest audited retained earnings of RM194,904,614 as at 31 December 2010, be allocated by the Company for the Proposed Share Buy-Back **AND THAT** authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the Shares purchased by the Company as treasury shares to be either distributed as share dividends or resold on Bursa Malaysia or subsequently cancelled, or to cancel the Shares so purchased, or a combination of both **AND THAT** the Directors of the Company be and are hereby authorised to act and to take all such steps and to do all things as they may deem necessary or expedient to implement, finalise and to give full effect to the Proposed Share Buy-Back.
- AND FURTHER THAT** the authority hereby given shall commence immediately upon passing of this ordinary resolution and shall continue in force until :-
- (a) the conclusion of the next AGM of the Company at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM is required by law to be held;
  - (c) revoked or varied by ordinary resolution passed by the shareholder in general meeting,
- whichever occurs first”
10. **PROPOSED SHAREHOLDER MANDATE IN RELATION TO THE RELATED PARTY TRANSACTIONS INVOLVING RECURRENT TRANSACTIONS OF A REVENUE OR TRADING NATURE (“Proposed Shareholder Mandate”)** 10
- “**THAT** pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements of Bursa Malaysia, the Directors of the Company be and are hereby empowered to enter into recurrent related party transactions of revenue or trading nature of the activities as set out in Section 3.1.1 of the Circular to shareholders which are necessary for its day-to-day operations and are in the ordinary course of business and are on terms not

more favourable to the related party than those generally available to the public at any time until:-

- (a) the conclusion of the next AGM of the Company, at which time the shareholder mandate will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier, upon such terms and conditions as the Directors of the Company, may in their absolute discretion deem fit.

**AND THAT** the Directors of the Company be and are hereby authorised to complete and to do all such acts and things they may consider expedient or necessary to give effect to the Proposed Shareholder Mandate.”

11. **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY** 11  
“**THAT** Article 145 of the Company’s Articles of Association be deleted in its entirety and be replaced thereof with the new Article 145 as contained in Section 4 of the Circular to shareholders dated 27 April 2011.  
**AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be consider necessary to give full effect to the proposed amendments to Articles of Association of the Company.”
12. To consider and if thought fit, to pass the following Special Resolution in accordance with section 129(6) of the Companies Act 1965: 12  
“**THAT** Dr Chou Chii Ming, who retires pursuant to Section 129(2) of the Company Act 1965 be and is hereby re-appointed as Director of the Company to hold office until the next AGM.”
13. To transact any other business for which due notice shall have been given in accordance with the Company’s Articles of Association and the Companies Act, 1965.

#### **NOTICE OF DIVIDEND ENTITLEMENT DATE AND PAYMENT**

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirtieth AGM a final dividend of 6% per share less income tax at 25% and a special dividend of 3% per share less income tax at 25% in respect of the year ended 31 December 2010 will be paid on 16 June 2011 to Depositors whose name appear in the Record of Depositors on 7 June 2011.

A Depositor shall qualify for entitlement to the Dividend only in respect of :

- (a) Shares transferred into the Depositor’s Securities Account before 4.00 pm on 7 June 2011 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Yu Chee Hung (MIA No. 3926)  
Augustine Law (MIA No. 10087)  
Company Secretaries

Kuching  
27 April 2011

#### **GENERAL MEETING RECORD OF DEPOSITORS**

For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 18 May 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 May 2011 shall be entitled to attend this AGM or to appoint proxies to attend and/or vote on his/her behalf.

#### **PROXY**

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy, who may or may not be a member to attend and vote in his stead, subject to the provision of section 149(1) of the Companies Act 1965. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy in the case of an individual shall be signed by the appointer, or his attorney duly authorised in writing and in the case of a corporation the instrument appointing a proxy must be under Seal or under the hand of an attorney duly authorised in writing. The instrument appointing a proxy must be completed, signed and deposited at the Registered Office of the Company at Lot 1004, Kwong Lee Bank Road, 93450 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

#### **ABSTENTION FROM VOTING**

The payment of Directors’ fee shall be distributed to the Non-Executive Directors. All the Non-Executive Directors of the Company who are shareholders of the Company will abstain from voting on Resolution 3 concerning the payment of Directors’ Fee.

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The Directors and major shareholders and persons connected to them as disclosed in 3.2 of the Circular to Shareholders will abstain from voting on Resolution 9 pertaining to the Proposed Shareholders' Mandate in relation to the related party transactions involving recurrent transactions of a revenue or trading nature.

**EXPLANATORY NOTES ON SPECIAL BUSINESS**

***Ordinary Resolution Pursuant To Proposed Renewal Of Authority For Share Buy-Back***

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to purchase the Company's Shares through Bursa Malaysia Securities Berhad up to ten (10%) of the issued and paid up share capital of the Company and the fund allocated which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the Proposed Renewal of Authority for Share Buy-Back is set out in the Circular to Shareholders of the Company dated 27 April 2011 which is dispatched together with the Company's Annual Report 2010.

***Ordinary Resolution Pursuant To Proposed Shareholder Mandate In Relation To Related Party Transactions***

For Ordinary Resolution 10, further information on the Proposed Shareholder Mandate in relation to the related party transactions involving recurrent transactions of a revenue or trading nature is set out in the Circular to Shareholders of the Company dated 27 April 2011 which is dispatched together with the Company's Annual Report 2010. This mandate, if approved, will expire at the conclusion of the next AGM of the Company unless revoked or varied at a general meeting.

***Special Resolution pursuant to Proposed Amendment to Articles of Association of the Company***

The proposed amendment to Articles of Association of the Company is to facilitate the implementation of electronic dividend payment system.

***Special Resolution pursuant to Section 129(6) of the Companies Act 1965***

The re-appointment of Dr Chou Chii Ming, a person who has attained the age of seventy (70) years old to hold office until the conclusion of the next annual general meeting of the Company shall take effect if the proposed Resolution 12 has been passed by a majority of not less than three-fourth (3/4) of such members as being entitled to vote in person or whose proxies are allowed, by proxy at the AGM.

**FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION/RE-APPOINTMENT**

Details of Directors who are standing for re-election/re-appointment are set out in the Profile of Directors on pages 12 to 13 of the Annual Report 2010. Information relating to the respective Director's interest in the securities of the Company and its subsidiaries is set out on page 23 of the Annual Report 2010.