



BHS INDUSTRIES BERHAD (Company No. 719660-W)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of the Company will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 28 November 2017 at 10.30 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 and the Reports of Directors and Auditors thereon. *Please refer Note 1*
 2. To approve the payment of Directors' benefits of RM10,950.00 from 31 January 2017 to 30 June 2017. *Ordinary Resolution 1*
 3. To approve the payment of Directors' fees and benefits of up to RM380,000.00 from 1 July 2017 until the next annual general meeting of the Company. *Ordinary Resolution 2*
 4. To re-elect the following Directors who retire by rotation in accordance with the Company's Constitution:-
 - (i) Chew Yuit Yoo (Article 84)
 - (ii) Dato' Dr. Koe Seng Kheng (Article 84)
 - (iii) Datuk Lee Hwa Cheng (Article 84)*Ordinary Resolution 3*
Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6
 5. To appoint Messrs Russell Bedford LC & Company as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 6*
 6. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-
 - (A) **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** *Ordinary Resolution 7*
 "THAT subject to the passing of Ordinary Resolution 3, Madam Chew Yuit Yoo who has served the Board as Senior Independent Non-Executive Director for a cumulative term of more than nine (9) years be and is hereby retained as Senior Independent Non-Executive Director of the Company."
 - (B) **AUTHORITY TO ALLOT SHARES** *Ordinary Resolution 8*
 "THAT subject always to the Companies Act 2016 ("Act") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being."
 - (C) **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** *Ordinary Resolution 9*
 "THAT subject always to the Companies Act 2016 ("Act"), provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company's ordinary shares ("Shares") through Bursa Securities, subject to the following:
 - (a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of the issued Shares of the Company at any point in time;
 - (b) The maximum fund to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the retained profits of the Company;
 - (c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed; or
 - (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in general meeting; whichever occurs first;
 - (d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner as the Directors of the Company may decide:-
 - (i) cancel the Shares so purchased; or
 - (ii) retain the Shares so purchased as treasury shares; or
 - (iii) retain part of the Shares so purchased as treasury shares and/or cancel the remainder of the Shares/treasury shares; or
 - (iv) distribute the treasury shares as dividends to shareholders; or
 - (v) resell the treasury shares or any of the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - (vi) transfer the treasury shares or any of the treasury shares for the purposes of or under an employees' share scheme; or
 - (vii) transfer the treasury shares or any of the treasury shares as purchase consideration; or
 - (viii) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

 - (D) **PROPOSED ALLOCATION OF EMPLOYEES' SHARE OPTION SCHEME - OPTIONS TO DATUK LEE HWA CHENG** *Ordinary Resolution 10*
 "THAT approval be and is hereby given to the Board, at any time and from time to time during the duration of the employees' share option scheme ("ESOS"), to offer and/or grant to Datuk Lee Hwa Cheng, the Executive Director of the Company, options to subscribe for such number of ordinary shares in the Company ("BHS Shares") to be issued under the ESOS provided that not more than ten percent (10%) of the BHS Shares available under the ESOS at the point in time when the offer is made, should be allocated to any individual eligible person who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) to the eligible person, holds twenty percent (20%) or more of the total issued shares of the Company; and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of By-Laws of the ESOS."
 - (E) **PROPOSED ALLOCATION OF EMPLOYEES' SHARE OPTION SCHEME - OPTIONS TO DATUK LAWRENCE YEO CHUA POH** *Ordinary Resolution 11*
 "THAT approval be and is hereby given to the Board, at any time and from time to time during the duration of the employees' share option scheme ("ESOS"), to offer and/or grant to Datuk Lawrence Yeo Chua Poh, the Executive Director of the Company, options to subscribe for such number of ordinary shares in the Company ("BHS Shares") to be issued under the ESOS provided that not more than ten percent (10%) of the BHS Shares available under the ESOS at the point in time when the offer is made, should be allocated to any individual eligible person who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) to the eligible person, holds twenty percent (20%) or more of the total issued shares of the Company; and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of By-Laws of the ESOS."
7. To consider and if thought fit, to pass the following Special Resolution, with or without modifications:-

PROPOSED CHANGE OF NAME OF THE COMPANY *Special Resolution 1*

"THAT the name of the Company be and is hereby changed from "BHS Industries Berhad" to "Nextgreen Global Berhad" with effect from the date of the notice of registration of new name issued by the Companies Commission of Malaysia and that the name of the Company wherever it appears in the Company's Constitution be and is hereby amended accordingly.

AND THAT the Directors of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the change of name."
8. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD
KANG SHEW MENG
SEOW FEI SAN
 Company Secretaries
 Petaling Jaya
 30 October 2017

Notes:-

1. The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340(1) of the Companies Act 2016 ("Act"), hence, the matter will not be put for voting.
2. Only depositors whose names appear in the Record of Depositors as at 20 November 2017 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a member may appoint any persons to be his proxy.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
5. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. 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 known as an 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.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.
9. Explanatory Notes on Special Business:-
 - (i) Ordinary Resolution No. 1 and 2
 Pursuant to Section 230(1) of the Act, 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 Twelfth Annual General Meeting ("AGM") on the Directors' fees and benefits.
 The current fees structure (including benefits) of the non-executive directors of the Company is as follows:-
 - Monthly fixed fees for duties as Director/Chairman; and
 - Meeting allowance for Board/Board Committees meetings attended.
 At the 11th AGM held on 20 December 2016, the shareholders has approved an annual mandate of RM228,000 as Directors' fee (excluding benefits) for the financial year commencing 1 July 2016. The actual amount of fees paid to the non-executive directors for the financial year ended 30 June 2017 was RM257,260, made up of Directors' fees of RM228,000, which is within the annual mandate given by its shareholders and Directors' benefits of RM29,260 for attendance of Board and Board Committees meetings.
 In view that meeting allowance (i.e. directors' benefits) is subject to shareholder's approval at general meeting under the new Act, accordingly, specific shareholder's approval will be sought at the 12th AGM for the payment of directors' benefits paid to non-executive directors for the period from 31 January 2017 (i.e. the enforcement date of the new Act) to 30 June 2017, which amounting to RM10,950.00 (Note : Ordinary Resolution 1).
 Also, for administrative efficiency, the Board would like to seek shareholder's approval at the 12th AGM for payment of directors' fee and benefits in respect of current year 2017, commencing from 1 July 2017 until the next AGM (17 months). The estimated amount for such payment is around RM380,000 (on the basis that there is no increase in the number of non-executive directors, directors' fee and/or no. of board/ board committees meetings) (Note : Ordinary Resolution 2).
 Details of the Directors' fees and benefits of the non-executive directors for the financial year ended 30 June 2017 are disclosed in the Statement on Corporate Governance as contained in the 2017 Annual Report.
 - (ii) Ordinary Resolution No. 7
 The Ordinary Resolution 7 is proposed pursuant to Recommendation of the Malaysian Code of Corporate Governance and if passed, will allow Madam Chew Yuit Yoo to be retained and continue to act as Senior Independent Non-Executive Director of the Company.
 Full details of the Board's justifications for the retention of Madam Chew Yuit Yoo is set out in the Statement of Corporate Governance in the 2017 Annual Report.
 - (iii) Ordinary Resolution No. 8
 The Proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company, from the date of the 12th AGM, authority to allot and issue not more than 10% of the total number of issued shares of the Company subject to approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authority is subject to the Company in general meeting, expire at the next Annual General Meeting of the Company.
 As at the date of printing of this Annual Report, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Eleventh Annual General Meeting held on 20 December 2016 and which will lapse at the conclusion of Twelfth Annual General Meeting.
 The authority 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, repayment of bank borrowings and/or acquisitions.
 - (iv) Ordinary Resolution No. 9
 The proposed Ordinary Resolution No. 9 if passed, will empower the Directors of the Company to continue to purchase the Company's ordinary shares up to ten percent (10%) of the total number of the issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Renewal of the Share Buy-Back Authority is set out in the Share Buy-back Statement dated 30 October 2017 which is despatched together with Company's Annual Report 2017.
 - (v) Ordinary Resolution No. 10 and 11
 The proposed Ordinary Resolutions No. 10 and 11, if passed, will empower the Directors of the Company to offer and grant to Datuk Lee Hwa Cheng and Datuk Lawrence Yeo Chua Poh, who were appointed as Directors of the Company after the implementation of the employee' share option scheme ("ESOS") the right to subscribe for such number of new ordinary shares in the Company pursuant to the ESOS in the manner provided in the By-Laws of ESOS. The resolutions 10 and 11 were structured in a similar manner based on the previous resolutions passed by the shareholders relating to granting of ESOS options to others members of the Board.
 - (vi) Special Resolution No. 1
 The proposed Special Resolution 1 on the change of name to "Nextgreen Global Berhad" is to better reflect the Group's current core focus on green technology in manufacturing of paper pulp while continuing the existing printing of books and magazines and publishing of books.
 The proposed Special Resolution 1, if passed, will change the name of the Company from "BHS Industries Berhad" to "Nextgreen Global Berhad upon issuance of Notice of Registration of new name by the Companies Commission of Malaysia.