



BHS Industries Berhad

(Incorporated in Malaysia)

(719660-W)

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Tioman Room, Bukit Jalil Golf and Country Club, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 22 December 2010 at 3.00 p.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2010 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve a final dividend for the year ended 30 June 2010. **Ordinary Resolution 2**
3. To re-elect the following Directors retiring in accordance with Article 84 of the Company's Articles of Association:-
 - (i) Mr. Heng Song Khoon **Ordinary Resolution 3**
 - (ii) En. Shamsudin @ Samad bin Kassim **Ordinary Resolution 4**
4. To appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business:-

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

5. ORDINARY RESOLUTION I – AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Act, to 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 in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from 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."

Ordinary Resolution 6

6. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a tax exempt final dividend of 6% for the financial year ended 30 June 2010, if approved by shareholders, will be paid on 20 January 2011 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 28 December 2010.

A Depositor shall qualify for entitlement only in respect of:-

- a. shares transferred to the Depositor's Securities Account before 4.00 p.m. on 28 December 2010 in respect of transfers; and
- b. shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
Secretaries

Selangor Darul Ehsan
29 November 2010

NOTES:

1. 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 person to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. 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.
3. 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.
4. The instrument appointing a proxy must be deposited at the Company's Share Registrar's Office at Tricor Investor Services Sdn. Bhd., Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.
5. Explanatory notes on Special Business:

Resolution 6 – Authority to issue shares

The proposed Resolution 6, if passed, will give the Directors of the Company, from the date of the Fifth Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in 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 in the Company were issued pursuant to the authority granted to the Directors at the Fourth Annual General Meeting held on 21 December 2009 and which will lapse at the conclusion of the Fifth 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 and/or acquisitions.