



SERISAR INDUSTRIES BHD.

(Company No: 356031-H)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Serisar Industries Bhd. ("Serisar" or "Company") will be held at the Bungor Room, 2nd Floor, Hyatt Regency Kota Kinabalu, Jalan Datuk Salleh Sulong, 88994 Kota Kinabalu, Sabah on 30 September 1998 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:-

SPECIAL RESOLUTION

PROPOSED VARIATION TO THE PROFIT GUARANTEE AND STAKEHOLDER AGREEMENT BETWEEN LOI HIEN KHONG AND LOH HIEN HUA WITH THE COMPANY DATED 9 DECEMBER 1997

"THAT, subject to the approval of the Securities Commission and any other relevant authorities, approval be and is hereby given to the Board to vary the Profit Guarantee and Stakeholder Agreement dated 9 December 1997 ("Agreement") as follows:-

- (i) that the First Guaranteed Amount (as defined in Clause 2.1(a) of the Agreement) be revised from RM10,238,400 to RM3,000,000;
- (ii) that the Second Guaranteed Amount (as defined in Clause 2.1(b) of the Agreement) be revised from RM7,732,800 to RM3,000,000;
- (iii) that the Third Guaranteed Amount (as defined in Clause 2.1(c) of the Agreement) be revised from RM7,732,800 to RM5,000,000;
- (iv) that a new clause be inserted in the Agreement to guarantee that the audited consolidated profit before taxation of the Company for the year ending 31 December 2001 shall not be less than RM7,000,000;
- (v) that a new clause be inserted in the Agreement to guarantee that the audited consolidated profit before taxation of the Company for the year ending 31 December 2002 shall not be less than RM8,500,000;
- (vi) that the period of the profit guarantee be extended from the three (3) years ending 31 December 2000 to the five (5) years ending 31 December 2002;
- (vii) that Loi Hien Khong and Loh Hien Hua (collectively the "Guarantors") severally covenant to compensate the Company in the proportion of 70% and 30% respectively for the difference between the Company's audited consolidated profit before taxation and the profit guarantee amount in each of the applicable years, subject to the maximum amount guaranteed in each of the applicable years. However, should the audited consolidated profit before taxation of the Company in each of the applicable years be equal to or more than the guaranteed amount, the Guarantors would be absolved from any liability;
- (viii) that in the event that the audited consolidated profit before taxation of the Company in any of the applicable years exceeds the profit guarantee amount, the surplus profit shall be carried forward to the subsequent year(s) and shall be deemed to constitute part of the audited consolidated profit before taxation for that subsequent year(s) as the case may be;
- (ix) that the Guarantors shall cause to be issued to the Company, additional bank guarantees for each of the two (2) years ending 31 December 2002; and
- (x) that the undertaking by the Guarantors to continue to participate in the management of the Company, as set out in Clause 13.1 of the Agreement, be extended to at least 31 December 2002;

(collectively the "Proposed Variation")

AND THAT the Board be and is hereby authorised to give effect to the Proposed Variation with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by any relevant authorities and to take all steps as it may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Variation."

By Order of the Board

Lim Phooi Kee
Company Secretary

Kota Kinabalu
8 September 1998

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved Company auditor or a person approved by the Registrar of Companies.
2. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The proxy form shall be signed by the appointor or his attorney duly authorised in writing or if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officers.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 3 & 4, Block E, Sadong Jaya, Karamunsing, 88100 Kota Kinabalu, Sabah not less than 48 hours before the time set for the meeting or any adjournment thereof.