

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23<sup>rd</sup> AGM") of Kelington Group Berhad ("KGB" or "Company") will be conducted virtually from the Broadcast Venue at Lot 9-11 Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur on Wednesday, 21 June 2023 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering the following businesses:

**A G E N D A**

**Ordinary Business**

- To lay before the Meeting the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon.  
(Refer to Explanatory Note (a))
- To re-elect the following Directors who are retiring in accordance with the Clause 97 of the Company's Constitution, and being eligible, have offered themselves for re-election:
  - Ng Lee Kuan (Ordinary Resolution 1)
  - Hu Keqin (Ordinary Resolution 2)
  - Cham Teck Kuang (Ordinary Resolution 3)
- To re-elect the following Directors who are retiring in accordance with the Clause 104 of the Company's Constitution, and being eligible, have offered themselves for re-election:
  - Ng Meng Kwai (Ordinary Resolution 4)
  - Rahima Beevi Binti Mohamed Ibrahim (Ordinary Resolution 5)
- To approve the payment of Directors' remuneration payable to the Board of the Company amounting to RM287,000 for the period from 1 July 2023 until 30 June 2024. (Ordinary Resolution 6)
- To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. (Ordinary Resolution 7)

**Special Business**

To consider and if thought fit, pass the following resolutions with or without any modifications:

**6. Continuing in Office as Independent Non-Executive Directors**

- "THAT approval be and is hereby given to Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." (Ordinary Resolution 8)
- "THAT approval be and is hereby given to Soo Yuit Weng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." (Ordinary Resolution 9)

**7. Authority to Issue and Allot Shares**

"THAT subject always to the Companies Act 2016 ("the Act"), Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Act to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act.

THAT the Directors be further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

THAT in connection with the above, pursuant to Section 85 of the Act, to be read together with Clause 54 of the Constitution of the Company, approval be hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares." (Ordinary Resolution 10)

**8. Proposed Authority for Purchase of Own Shares by the Company**

"THAT subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and
- the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or transfer the shares under employee share scheme or as purchase consideration,

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - the expiration of the period within which the next AGM after that date is required by law to be held; or
  - revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." (Ordinary Resolution 11)

**9. Proposed Provision of Performance-Based Gratuity Payment upon Retirement as part of Remuneration Package for the Founder, Executive Director and Chief Executive Officer of the Company, Ir. Gan Hung Keng**

"THAT approval be and is hereby given for the Company to provide a performance-based retirement gratuity payment to the founder, Executive Director and Chief Executive Officer of the Company, Ir. Gan Hung Keng upon his retirement from the Executive role in recognition of his valuable contributions to the continuous growth of Kelington Group Berhad, which shall be calculated based on two (2) months of his last drawn monthly basic salary for each completed year of service as Executive of the Company, subject to fulfilling a performance condition which the Company shall achieved at least 10% compound annual growth rate (CAGR) in profit after tax (PAT) over a period of five years prior to the year of his retirement.

THAT the achievement of the performance condition shall be assessed based on the latest five years approved audited financial statements of the Company available on the date of retirement.

THAT the lump sum performance-based retirement gratuity fee upon satisfying the performance condition and approval by the Remuneration Committee and Board of Directors of the Company shall be due and payable to Ir. Gan Hung Keng and shall be paid in accordance with the terms and conditions outlined in the service contract.

THAT authority be hereby given to the Board to take all such actions as they may consider necessary to give full effect to this resolution and to include the above provision in the remuneration package of Ir. Gan Hung Keng and to execute all relevant documents for and on behalf of the Company." (Ordinary Resolution 12)

**10. Proposed Provision of Performance-Based Gratuity Payment upon Retirement as part of Remuneration Package for the Founder, Executive Director and Chief Operating Officer of the Company, Mr. Ong Weng Leong**

"THAT approval be and is hereby given for the Company to provide a performance-based retirement gratuity payment to the founder, Executive Director and Chief Operating Officer of the Company, Mr. Ong Weng Leong upon retirement from the Executive role in recognition of his valuable contributions to the continuous growth of Kelington Group Berhad, which shall be calculated based on two (2) months of his last drawn monthly basic salary for each completed year of service as Executive Director of the Company, subject to fulfilling a performance condition which the Company shall achieved at least 10% compound annual growth rate (CAGR) in profit after tax (PAT) over a period of five years prior to the year of his retirement.

THAT the achievement of the performance condition shall be assessed based on the latest five years approved audited financial statements of the Company available on the date of retirement.

THAT the lump sum performance-based retirement gratuity fee upon satisfying the performance condition and approval by the Remuneration Committee and Board of Directors of the Company shall be due and payable to Mr. Ong Weng Leong and shall be paid in accordance with the terms and conditions outlined in the service contract.

THAT authority be hereby given to the Board to take all such actions as they may consider necessary to give full effect to this resolution and to include the above provision in the remuneration package of Mr. Ong Weng Leong and to execute all relevant documents for and on behalf of the Company." (Ordinary Resolution 13)

- To transact any other ordinary business of which due notice shall have been given.

**BY ORDER OF THE BOARD**

TEO MEE HUI (SSM PC No. 202008001081 & MAICSA 7050642)  
ZEENATH BEGUM BINTI MOHAMED MASTAN (SSM PC No. 202008002974 & LS 0009462)  
Company Secretaries

Kuala Lumpur  
Dated this 28<sup>th</sup> day of April 2023

**Notes:**

- A member may appoint up to two (2) proxies to attend, participate, speak and vote at the meeting. If a member appoints more than one (1) proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be valid. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("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. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- The appointment of proxy may be made in hard copy or in electronic form. The instrument appointing a proxy must be submitted in the following manners, at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof:
  - In hard copy form  
To be deposited at the Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan; or
  - By electronic means  
To be sent via e-mail to:  
khairul.iqam@boardroomlimited.com  
bsr.helpdesk@boardroomlimited.com
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 14 June 2023 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

**Explanatory notes on Ordinary and Special Business**

**(a) Item 1 of the Agenda**

Audited Financial Statements for the financial year ended 31 December 2022.

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248 and Section 340 (1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

**(b) Ordinary Resolutions 1 to 5 – Re-election of Directors**

Ms Ng Lee Kuan, Mr Hu Keqin and Mr Cham Teck Kuang are retiring by rotation in accordance with Clause 97 of the Constitution of the Company whilst Mr Ng Meng Kwai and Puan Rahima Beevi Binti Mohamed Ibrahim are retiring in accordance with Clause 104 of the Constitution of the Company.

The profiles of the retiring Directors are set out in the Annual Report 2022.

The Nomination Committee has taken into account the Board Evaluation Assessment including the results of the assessment for the retiring Directors and concurred that they have met the Board's expectations in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company. The Board recommended them to be re-elected as Directors of the Company.

**(c) Ordinary Resolution 6**

The Remuneration Committee and the Board had reviewed the Directors' Remuneration for the period from 1 July 2023 until 30 June 2024 ("Relevant Period"), after taking into consideration market trends for similar positions, time commitment and responsibilities of the respective Directors.

The Directors' remuneration comprises the Directors' fee and meeting allowances payable to the Board of the Company is set out as follows:

	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
	<b>RM</b>	<b>RM</b>
Director Fee	-	270,000
Meeting allowance	-	17,000
<b>Total</b>	<b>-</b>	<b>287,000</b>

In determining the estimated total amount of the Directors' remuneration, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the involvement of the respective Directors. Payment of Directors' remuneration will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolution 6 has been passed at the 23<sup>rd</sup> AGM.

**(d) Ordinary Resolutions 8 and 9**

**Continuing in Office as Independent Non-Executive Directors**

The Board has assessed the independence of Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman and Soo Yuit Weng, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- they fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they would be able to function as a check and balance, bring an element of objectivity to the Board;
- they have been with the Company for more than 9 years and were familiar with the Company's business operations;
- they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and
- they have exercised their due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company and shareholders.

The Board considered Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman and Soo Yuit Weng to be independent based on the above justifications and recommended them to be retained as Independent Non-Executive Directors of the Company.

**(e) Ordinary Resolution 10**

**Authority to Issue and Allot Shares**

The proposed Ordinary Resolution 10, if passed, will give flexibility to the Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of next Annual General Meeting of the Company.

This is a new mandate and the purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

This is also to approve the disapplication of statutory pre-emption rights under Section 85 of the Companies Act 2016, to allot new shares (or to grant rights over shares) without first offering them to the existing shareholders in proportion to their holdings pursuant to the general mandate.

The previous mandate obtained from the members at the last AGM was not utilised and, accordingly no proceeds were raised.

**(f) Ordinary Resolution 11**

**Proposed Authority for Purchase of Own Shares by the Company**

The proposed Ordinary Resolution 11, if approved, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. For more information, please refer to the Share Buy-Back Statement dated 28 April 2023.

**(g) Ordinary Resolutions 12 and 13**

**Proposed Provision of Performance-Based Retirement Gratuity Payment**

The Proposed Provision of Performance-based Retirement Gratuity Payment as part of Remuneration Package was recommended to attract, retain, motivate and reward Ir. Gan Hung Keng and Mr. Ong Weng Leong to focus on strategic planning and maintain a healthy growth rate for the Company; and in recognition of their commitment, dedication and contribution to the success of the KGB Group and as gesture of appreciation for their long-term tenure and service rendered. Their diverse knowledge and expertise, strategic oversight and top executive leadership have combined to contribute to our achievements today.

Ir. Gan Hung Keng and Mr. Ong Weng Leong have contributed valuable knowledge, experience, and insights that are crucial for the Company's continued success. In addition, by offering a performance-based retirement gratuity, the Company can incentivize them to stay involved during the transition period, share their expertise, and provide guidance to successors, which can contribute to a smooth succession process.

The Board of Directors is of the opinion that it is in the best interest of the Company to offer a performance-based retirement gratuity payment as an additional benefit to Ir. Gan Hung Keng and Mr. Ong Weng Leong and be included as part of their remuneration package, as a means to promote healthy growth for Kelington, attract and retain a talented executive director for a smooth transition and recognise their long-term commitment and contributions to the Company.