

KELINGTON GROUP BERHAD
Registration No. 199901026486 (501386-P)
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE COMPANY
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.**

SHAREHOLDERS/ PROXIES

As per attendance list (Participation via Remote Participation and Voting (“RPV”) Facilities)

DIRECTORS

Gan Hung Keng*	-	Chairman/Chief Executive Officer
Ong Weng Leong*	-	Executive Director/Chief Operating Officer
Soo Yuit Weng	-	Senior Independent Non-Executive Director
Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman	-	Senior Independent Non-Executive Director
Ng Lee Kuan	-	Independent Non-Executive Director
Cham Teck Kuang	-	Non-Independent Non-Executive Director
Soh Tong Wah	-	Non-Independent Non-Executive Director
Hu Keqin	-	Non-Independent Non-Executive Director
Ng Meng Kwai	-	Independent Non-Executive Director
Rahima Beevi Binti Mohamed Ibrahim	-	Independent Non-Executive Director

IN ATTENDANCE

Teo Mee Hui, Jess	-	Company Secretary
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BY INVITATION

Jong Yu Huat*	-	Chief Financial Officer
Elvina Tay Choon Choon Choo Tze Boon Ho Pei Ling	}	Representatives of Crowe Malaysia PLT, the External Auditors
Yap Ying Shye, Emily	-	Representative of TMF Administrative Services Malaysia Sdn. Bhd.
Ng Eng Hoe*	-	Finance Manager
Ng Mun Yee*	-	Manager – Corporate Compliance and Sustainability Department
Har Wai Ming*	-	Executive - Corporate Compliance and Integrity Department
Lim Shin Yong, Syvonne Chia Woo Hiem, Samuel*	-	Finance Manager of Ace Gases Sdn. Bhd.
Wong Huan Jun* Sangetha A/P Rajendran* Tan Kean Cheong* Jatheswarpillay A/L Pagawathy Pelay*	}	Representatives of Dvote Services Sdn Bhd
Chia Kar Ching, Zen*	}	Representatives of Sky Corporate Services Sdn Bhd
Tan Hui Yin	}	
Santhi Saminathan Keow Mei-Mynn Chang Mei Chee	}	Representatives of Capital Front PLT

* Attending physically from broadcast venue.

1. OPENING

Ir. Gan Hung Keng presided as the Chairman of the Meeting and welcomed all present at the Twenty Third Annual General Meeting ("23rd AGM") of the Company.

The Chairman informed that with the safety of the shareholders, Directors, employees, and other stakeholder being the primary concern, the 23rd AGM of the Company was conducted virtually via live stream webcast and online remote voting using the RPV facilities without physical attendance by shareholders and proxies.

The Chairman then introduced the Board of Directors, the Company Secretary and the Auditors of the Company.

2. QUORUM

The Company Secretary confirmed the presence of the requisite quorum in accordance with Clause 70 of the Company's Constitution.

With the requisite quorum being present, the Chairman called the Meeting to order at 10:00 a.m.

3. NOTICE OF MEETING

The Chairman informed that the 2022 Annual Report together with the Notice of Meeting and Statement to Shareholders in relation to the Proposed Renewal of Authority for Purchase of Own Shares had been issued to all shareholders via electronic means on 28 April 2023 and the same can be downloaded from the Company's website. Furthermore, the Notice was duly advertised in the mainstream newspaper, New Straits Times within the prescribed period.

There being no objection, the Notice convening the Meeting was taken as read.

4. PROCEEDINGS

Before proceeding to the agenda of the Meeting, the Chairman informed the Meeting that:

- a) Pursuant to the Main Market Listing Requirements and the Constitution of the Company, it was mandatory for all listed issuers to conduct poll voting on all proposed resolutions as set out in the Notice of the Annual General Meeting ("AGM").

As such, Dvote Services Sdn. Bhd. was appointed as the Poll Administrator whilst SKY Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineers to validate the results of the poll voting.

- b) The results of the votes would be announced at the conclusion of the AGM stating the total number of votes cast on the poll (together with the percentage) in favour of and against each and every resolution.

- c) All the proposed resolutions on the agenda shall be first tabled to the shareholders/proxies for consideration and the questions relating to the proposed resolutions would be answered at the the Question-and-Answer (“Q&A”) session. The Q&A session will be at the end of the Meeting prior to the polling.

All votes were to be submitted via Dvote Online and a step-by-step guide together with a short audio clip on the online voting module was played.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements together with the Reports of the Directors and Auditors for the financial year ended 31 December 2022 (“**AFS**”), having been circulated to all the shareholders of the Company within the statutory period, were tabled at the 23rd AGM pursuant to Section 340(1)(a) of the Companies Act 2016 (“**the Act**”).

The Chairman informed shareholders/proxies that this agenda was meant for discussion only as the provision in the Act did not require a formal approval of the shareholders for the AFS. Thus, this agenda was not being put forward for voting.

The Chairman declared that the AFS be received.

6. ORDINARY RESOLUTION 1
- RE-ELECTION OF DIRECTOR – MS NG LEE KUANG

The second item on the Agenda was on the re-election of Ms Ng Lee Kuan (“**Ms Ng**”), who shall retire as a Director pursuant to Clause 97 of the Company's Constitution.

The Chairman informed that Ms Ng, being eligible for re-election, had offered herself for re-election and the profile of Ms Ng could be found on page 22 of the 2022 Annual Report.

7. ORDINARY RESOLUTION 2
- RE-ELECTION OF DIRECTOR – MR HU KEQIN

The third item on the Agenda was on the re-election of Mr Hu Keqin (“**Mr Hu**”), who shall retire as a Director pursuant to Clause 97 of the Company's Constitution.

The Chairman informed that Mr Hu, being eligible for re-election, had offered himself for re-election and the profile of Mr Hu could be found on page 25 of the 2022 Annual Report.

8. ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – MR CHAM TECK KUANG

The fourth item on the Agenda was the proposed resolution on the re-election of Mr Cham Teck Kuang (“**Mr Cham**”), who shall retire as a Director pursuant to Clause 97 of the Company's Constitution.

The Chairman informed that Mr Cham, being eligible for re-election, had offered himself for re-election and the profile of Mr Cham could be found on page 24 of the 2022 Annual Report.

9. ORDINARY RESOLUTION 4
- RE-ELECTION OF DIRECTOR – MR NG MENG KWAI

The next item on the Agenda was on the re-election of Mr Ng Meng Kwai (“**Mr Ng**”), who shall retire as a Director pursuant to Clause 104 of the Company's Constitution.

The Chairman informed that Mr Ng, being eligible for re-election, had offered himself for re-election and the profile of Mr Ng could be found on page 26 of the 2022 Annual Report.

10. ORDINARY RESOLUTION 5
- RE-ELECTION OF DIRECTOR – PUAN RAHIMA BEEVI BINTI MOHAMED IBRAHIM

The sixth item on the Agenda was on the re-election of Puan Rahima Beevi Binti Mohamed Ibrahim (“**Puan Rahima**”), who shall retire as a Director pursuant to Clause 104 of the Company's Constitution.

The Chairman informed that Puan Rahima, being eligible for re-election, had offered himself for re-election and the profile of Puan Rahima could be found on page 27 of the 2022 Annual Report.

11. ORDINARY RESOLUTION 6
- DIRECTORS' REMUNERATION PAYABLE TO THE BOARD OF THE COMPANY

Moving on to the next item on the Agenda, which was the proposed payment of Directors' Remuneration amounting to RM287,000 to the Board of the Company for the financial period from 1 July 2023 until 30 June 2024.

12. ORDINARY RESOLUTION 7
- RE-APPOINTMENT OF AUDITORS

The eighth item on the Agenda was pertaining to the re-appointment of Messrs. Crowe Malaysia PLT as the Auditors of the Company for the next financial year and to authorise the Board of Directors to fix their remuneration.

It was noted that Messrs. Crowe Malaysia PLT had indicated their willingness to continue in office.

13. ORDINARY RESOLUTION 8
- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR –
VICE ADMIRAL (RETIRED) DATUK HAJI JAMIL BIN HAJI OSMAN

The Chairman informed the Meeting that the next proposed resolution 8 was to approve the continuing in office of Vice Admiral (Retired) Datuk Haji Jamil Bin Haji Osman as an Independent Non-Executive Director of the Company who had exceeded a cumulative term of more than nine (9) years in accordance with Malaysian Code on Corporate Governance 2021 (“MCCG 2021”). The details of the justification had been set out on page 268 of the Annual Report 2022.

The Meeting was informed that pursuant to Practice 5.3 of Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), shareholders’ approval would be sought through a two-tier voting process for the proposed resolutions 8 and 9 and shareholders’ votes would be casted in the following manner:

- a) Tier 1: only the large shareholder of the Company to vote; and
- b) Tier 2: shareholders other than large shareholders to vote.

The proposed resolutions 8 and 9 would be deemed successful if both Tier 1 and Tier 2 voted to support the proposed resolutions.

14. ORDINARY RESOLUTION 9
- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR –
SOO YUIT WENG

The Chairman informed the Meeting that the proposed resolution 9 was to approve the continuing in office of Ms Soo Yuit Weng as an Independent Non-Executive Director of the Company who had exceeded a cumulative term of more than nine (9) years via a two-tier voting in accordance with MCCG 2021. The details of the justification had been set out on page 268 of the Annual Report 2022.

15. ORDINARY RESOLUTION 10
- AUTHORITY TO ISSUE AND ALLOT SHARES

The Meeting was informed that the next proposed resolution was to approve the ordinary resolution in respect of the Authority to Issue and Allot Shares.

The Chairman highlighted that the motion, if passed, would authorise the Directors of the Company, from the date of the Meeting, to issue ordinary shares of not more than 10% of the issued share capital of the Company, for such purposes as the Directors consider would be in the interest of the Company. This authority shall, unless be revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

16. ORDINARY RESOLUTION 11
- PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OWN SHARES BY
THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

The next item on the Agenda was to consider the proposed resolution on the Proposed Renewal of Share Buy-Back.

The Chairman informed that the details pertaining to the Proposed Renewal of Share Buy-Back were set out in the Share Buy-Back Statement dated 28 April 2023.

17. ORDINARY RESOLUTION 12
- 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

The Chairman informed the Meeting that the next item on the Agenda was to approve the Proposed Provision of Performance-Based Gratuity Payment upon Retirement as part of the Remuneration Package for him. Thus, the Chairman handed over the chairmanship to Mr Ong Weng Leong, for this item of Agenda.

Mr Ong took over the chairmanship and then proceeded to inform the Meeting that the proposed resolution 12 was to approve the Proposed Provision of Performance-Based Gratuity Payment upon Retirement as part of the Remuneration Package for the Founder, Executive Director and Chief Executive Officer of the Company, Ir. Gan Hung Keng.

The interested director and major shareholder, Palace Star Sdn. Bhd. and persons connected to them shall abstain from deliberating, approving, and voting on the proposed resolution.

Mr Ong Weng Leong handed the Chair back to the Chairman to continue with the remaining items on the Agenda.

18. ORDINARY RESOLUTION 13
- 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

The next item on the Agenda was to approve the Proposed Provision of Performance Based Gratuity Payment upon Retirement as part of the Remuneration Package for the Founder, Executive Director and Chief Operating Officer of the Company, Mr Ong Weng Leong.

The interested director and major shareholder, Palace Star Sdn. Bhd. and persons connected to them shall abstain from deliberating, approving, and voting on the proposed resolution.

19. ANY OTHER ORDINARY BUSINESS

The Chairman was informed that there was no notice of any other business for transacting at this Meeting had been received.

20. Q&A SESSION

The Chairman informed that the Company had received questions prior to and during the 23rd AGM. The questions received would be moderated to avoid repetition and would be summarised for reasons of brevity.

The Chief Operating Officer of the Company would address the relevant questions accordingly. The Questions received prior to and during Meeting together with the answers was attached as **Annexure 1**.

21. POLLING

After having addressed the questions received, the Meeting proceeded with the casting of votes for all the proposed resolutions.

The Chairman then announced that the time allowed for the casting of votes would be five minutes and that the countdown would automatically end after five minutes of duration.

The counting of votes by the Poll Administrator and the validation of votes by the Independent Scrutineers was anticipated to take approximately 20 minutes. Having concluded the voting session, the Chairman adjourned the Meeting.

22. DECLARATION OF POLLING RESULTS

Upon counting the votes cast, the Chairman called the Meeting to order and the results of the poll annexed hereto as **Annexure 2**.

The Chairman declared that, based on the results obtained from the Independent Scrutineers, the proposed Resolutions Nos. 1 to 13 tabled at the AGM and voted upon by poll were all **CARRIED** and the Meeting **RESOLVED**:

ORDINARY RESOLUTION 1

- **RE-ELECTION OF MS NG LEE KUAN WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Ms Ng Lee Kuan who retired by rotation in accordance with Clause 97 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 2

- **RE-ELECTION OF MR HU KEQIN WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Hu Keqin who retired by rotation in accordance with Clause 97 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 3

- **RE-ELECTION OF MR CHAM TECK KUANG WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Cham Teck Kuang, who retired by rotation in accordance with Clause 97 of the Company's Constitution be and is hereby re-elected as a Director of the Company.

ORDINARY RESOLUTION 4

- **RE-ELECTION OF MR NG MENG KWAI WHO RETIRED IN ACCORDANCE WITH CLAUSE 104 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Ng Meng Kwai, who retired in accordance with Clause 104 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5

- **RE-ELECTION OF PUAN RAHIMA BEEVI BINTI MOHAMED IBRAHIM WHO RETIRED IN ACCORDANCE WITH CLAUSE 104 OF THE COMPANY'S CONSTITUTION**
-

THAT Puan Rahima Beevi Binti Mohamed Ibrahim, who retired by rotation in accordance with Clause 104 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 6

- **APPROVAL OF 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**
-

THAT the payment of Directors' remuneration to the Board of the Company amounting to RM287,000 for the period from 1 July 2023 until 30 June 2024 be and is hereby approved.

ORDINARY RESOLUTION 7

- **RE-APPOINTMENT OF 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**
-

THAT Messrs. Crowe Malaysia PLT be and is hereby re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Board of Directors to fix their remuneration.

ORDINARY RESOLUTION 8

- **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – VICE ADMIRAL (RETIRED) DATUK HAJI JAMIL BIN HAJI OSMAN**
-

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 9

**- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR –
SOO YUIT WENG**

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 10

- 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 11

- 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:

- (i) 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;
- (ii) 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
- (iii) 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:

- (i) 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
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) 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 12

- 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 13

- 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.

23. CONCLUSION

There being no other business, the Meeting was concluded at 11:35 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT

GAN HUNG KENG
Chairman

KELINGTON GROUP BERHAD
Registration No. 199901026486 (501386-P)
(Incorporated in Malaysia)

Questions received from the Shareholders/Proxy of Kelington Group Berhad at the Twenty Third Annual General Meeting of Kelington Group Berhad (“KGB”) held on 21 June 2023

Ms Lee Ya Yun, raised the following questions:

- Q1) Do you foresee the increase in gross profit margin and profit before tax margin in Financial Year (“FY”) 2023 after the drop in FY2022?
- Q2) Should we be worried about the surge in trade receivables in FY2022 at RM386 million (compared with RM92 million in FY2021) where RM46.5 million is overdue for more than 1 year? What is the likelihood to collect the overdue amount?
- Q3) How do you see the outlook of technology industry in China? Is Semiconductor Manufacturing International Corporation (“SMIC”) still a significant client of KGB?
- Q4) In the 2022 annual report page 15, you indicate that KGB “plans to actively pursue new engineering projects across our key markets”, could you please elaborate more on this new project?
- Q5) May I know the percentage of export for Industrial Gases? Do you see the percentage to be increased this year?
- Q6) Could you please update us on the progress of the second liquid carbon dioxide (“LCO2”) plant?
- Q7) Sarawak is actively pursued the green hydrogen project in the state. What is your view on this? Would KGB benefit from this?

Mr Ong Weng Leong (“**Mr Ong**”), the Chief Operating Officer replied as follows:

- A1) The lower gross profit margin in FY2022 was primarily due to the change in revenue mix driven by higher contribution from the general contracting segment, which had a lower gross profit margin as compared to Ultra High Purity (“UHP”) and Process Engineering. The Group expected the margin for FY 2023 to improve with higher revenue contribution from UHP projects which carries higher profit margins as compared to other segments.
- A2) Out of the total trade receivables of RM386 million as at FY 2022, RM51 million was the project retention sum which to be received from the customers in accordance with the terms of the contract. As at 31 May 2023, the Company had collected at least 98% of the trade receivables with the remaining of RM46.5 million being the project retention sum which were not overdue.

- A3) The Group was optimistic about the outlook of technology industry in China, particularly in the semiconductor sector, where significant progress had been made resulting from the chip ban.

The Company reckoned that SMIC was a major customer of KGB and would continue to actively bid for new projects from SMIC as well as other China semiconductor players who were actively expanding their production capacities and capabilities in line with the long-term growth of the semiconductor.

- A4) In the FY 2023, KGB would actively be pursuing engineering projects across the UHP, Process Engineering and General Contracting segments in the Group's operating markets of Malaysia, China, Singapore and Taiwan.

- A5) About 50% of the industrial gases were exported to Southeast Asian Market in the FY 2022. There was strong demand for LCO₂ overseas, especially in Australia and Oceania regions due to the shutdown of oil refineries in these countries due to climate control restrictions which had led to lower supply of raw CO₂. The revenue was expected to continue to increase with the commencement of the second LCO₂ plant.

As at May 2023, the export of Industrial Gases had increased from 50% in the FY2022 to 62%.

- A6) The construction of the new LCO₂ plant located in Kerteh, Terengganu, was expected to be completed and operated by the fourth quarter of 2023.

- A7) KGB was closely monitoring the development of green hydrogen project in Sarawak and would make any announcement should there be any opportunity for the Group.

Mr Muhammad Farhan raised the following questions:

- Q8) Any update on Air Separation Unit for Industrial Gas segments?
- Q9) Why 2 Independent Directors who has been with KGB for more than 9 years still at KGB which affected corporate governance of the company?
- Q10) Any update on future CEO as to separate positions of Chairman and CEO in the future?
- Q11) Why was the staff turnover rate high last year compared to previous years?
- Q12) Why Crowe had been with KGB for 14 years? Auditors need to be changed at max 5 years because a lot of bad things can happen if same auditor with company more than 10 years.
- Q13) Any corporate presentation prepared?

Mr Ong replied as follows:

- A8) There was no progress on the proposed building of Air Separation Unit. Nevertheless, the Company still pursuing the opportunity.

- A9) The Company noted on the requirements of the long serving independent directors and shall seek shareholders' approval for continuance in office as independent directors under two-tier voting at this meeting. Furthermore, The Company was looking for suitable candidates to replace the two long serving independent directors whose tenure will be exceeding a cumulative term of 12 years in 2024
- A10) The Company noted on the separation of positions of Chairman dan CEO and was actively pursuing on the succession planning.
- A11) The staff turnover rate was high as compared to the previous year mainly due to the increase of number of staff in FY2023. However, most of the staff resigned in 2022 and 2023 were from junior positions level. There was no issue on the retention of senior positions level and experienced staff.
- A12) The Company had adopted an External Auditors Policy to outline the guidelines and procedures for the Audit Committee to assess and monitor the external auditors. The policy was published on the Company's website. The Company was aware that the Key Audit Partner was required to be rotated every 7 years but not the Auditors' firm.
- A13) Corporate presentation had been prepared and would be presented during polling counting section.

Mr Toh Zhe Han raised the following questions:

- Q14) Has the new LCO2 plant) acquired the order from new customer or current customer. Will the profit margin of this new plant be comparable to the old plant ?
- Q15) What is the target utilisation rate of the new plant and old plant during year end?
- Q16) As everybody expects 2023 second half semiconductor to recover, so what is target order book to be secured within 2023 first half and second half respectively?
- Q17) How's the confidence level to secure more project from major customer from China? Will they tend to local contractor?
- Q18) What is the current tender value as of now?
- Q19) From the latest Quarterly Report, why there are order of RM297 million not appeared in the company announcement?

Mr Ong replied as follows:

- A14) The industrial gases had enjoyed robust demand from the customer, however, the LCO2 plant 1 had reached optimal utilisation and had not capacity to supply the industrial gas to the customers.

The Company was unable to confirm the orders as yet, but the Company would be able to attend to the shortfalls in meeting the demand and rolled up the new plant's capacity once the new plant is ready. In addition, the profit margin for the new LCO2 plant would be comparable to the existing plant.

- A15) The utilisation of the existing LCO2 plant has maxed out whilst the production of new plant was targeted to be commenced by the fourth quarter of 2023 with the targeted utilisation rate of about 20% to 30% for FY 2023.
- A16) As at 31 March 2023, the Group had secured order book of RM467 million. The Company was unable to confirm the orderbook for the second half of 2023 as the period had not ended yet. The Group was actively pursuing the tender book of RM1.4 billion and was expected to close more contracts in FY2023.
- A17) The Company had renewed the hook up contract with SMIC and secured more orders from another major customer namely, ChangXin Memory Technologies (“CXMT”). Even though the Company was competing with competitors from Taiwan and China, but the Company was confident that they were able to secure contracts from the major customer in China.
- A18) The tender book was stood at RM1.4 billion as of March 2023.
- A19) The Company's threshold to determine the materiality of announcement had increased to RM120 million (i.e. 10% of the revenue) in tandem with the increased revenue of the Group of RM1.278 billion in the FY2022. Hence, no announcement would be made if the contract value was lower than RM120 million. Nevertheless, the total orders for the current quarter would be disclosed in the Company's quarterly report.

Ms Wong Yeou Yi raised the following questions:

- Q20) As company receive good order replenishment, how much the company total orderbook and outstanding orderbook?
- Q21) As semiconductor is undergo downturn and possible recovery in 2024, is company plan to bid for more customised chemical delivery system similar to project secured in April 2023? If yes, how much the project bidding on this field?
- Q22) Last week, we received news that Texas Instrument (“TI”) plan to expand manufacturing operations in Malaysia. Will company able to participate in the project bidding?

Mr Ong replied as follows:

- A20) As at 31 March 2023, the Group's total orderbook and outstanding orderbook were recorded at RM467 million and RM1.83 billion, respectively which would keep the Group busy for the next one and half year. Meanwhile, the Group was actively pursuing the tender book of RM1.4 billion and was expected to close some contracts in FY2023.
- A21) Chemical Delivery System was one of the key focuses of the Company and whenever there is any opportunity, the Company would bid for the project.
- A22) The Company was invited to participate in the bidding for TI expansion project in Malaysia.

Mr Lim Meng Yit raised the following questions:

- Q23) How is the UHP business in Food and Beverage ("F&B) segment? What is the margin and market share, as well as the growth rate?
- Q24) What is the current percentage of run rate of the existing UHP plant? Any plan to expand the production capacity?
- Q25) What is the current net profit margin (%) for the KGB revenue? Any plan to boost up the net profit margin?
- Q26) Do you see any potential competitor in the same business in mid term? Is the entry barrier of this business or industry considered high?
- Q27) What are the plans to mitigate the increase in energy cost and labor cost? Is your production floor labor intensive? What is the % of cost structure each from energy, labor and direct material?
- Q28) What is the expectation or projection for CO2 business growth in terms of total revenue %? What is the profit margin % for CO2 business?

Mr Ong replied as follows:

- A23) The UHP services is mainly provided to semiconductor industry while the Company is serving F&B segment via gases division whereby the Company was supplying LCO2.
- A24) UHP business was mainly on project basis, hence no plant is required to execute the project.
- A25) As reported in the 2022 Annual Report, the net profit for FY2023 was around 4.5%, which was considered consider low due to project mix. In FY2022, the Group undertook more General Contracting jobs which typically carried lower gross profit margins as compared to UHP and Process Engineering.

The Group expected the margin for FY 2023 to improve with higher revenue contribution from UHP projects which carries higher profit margins as compared to other segments.

- A26) The Group operated in a highly competitive industry and faced different competitors in the operating countries. With the Group's extensive experience, KGB was able to strengthen its competitive position amongst the players and continue to grow. The entry barrier of the industry was high because it required a lot of technical know-how.
- A27) KGB Group was operating in two business segments, namely Engineering and Industrial Gases. Engineering segment consists of UHP, process engineering and general contracting which were project in nature. About 50% to 60% of the project cost being tied to material cost with the remaining amount going to the labour. The tender price of the new project would be determined based on the latest labour and material costs. Hence, any increase in the costs would pass down to the customer.

As for Industrial Gases business, the main cost element was energy cost (i.e. electricity), which contributed 70% to 80% of the total cost. The supply contract shall include an upfront escalation clause for increment of energy cost. When there is increase in electricity's price, the Company could increase its price based on the escalation clause.

A28) The Company was expected to have compounded annual growth rate of 20-30% for the next few years.

The Company did not have any profit guidance and therefore, would not disclose any profit amount at this juncture. In spite of that, the Company had experienced double-digit growth for the past records and was confident in its growth trend. Hence, shareholders may determine the PAT based on past records.

Mr Yoong Ah Tai raised the following questions:

Q29) Will the Company be considering to provide a token to shareholder attending this virtual AGM?

Mr Ong replied as follows:

A29) There was no policy in place to distribute e-vouchers to shareholders. Nevertheless, the Company has taken note of the request and would consider distributing e-vouchers in the future.

Ms Chang Yoke Long raised the following questions:

Q30) Please share the new LCO2 plant readiness in term of new headcount and machinery delivery.

Q31) What are the expected revenue and profit contribution from this new plant?

Mr Ong replied as follows:

A30) The equipment and vessel were being fabricated in China and the same were targeted to be received by the Q3 2023. Thereafter, the Company would start the installation and construction of the plant and was targeted to be completed by the Q4 2023.

A31) This was addressed in Q15.

Mr Chua Mun Jun raised the following questions:

Q32) What is the outstanding orderbook now?

Q33) What is the new contracts value awarded so far in Q2 2023?

Q34) What is the total project value in bidding/tender phase?

Q35) What is the LCO2 plant utilisation rate now?

Q36) Does KGB have any plan to expand business into other industrial gas other than LCO2?

Mr Ong replied that:

- A32) This was addressed in Q20.
- A33) The Company was unable to confirm the new contract value for the Q2 2023 as the period has not ended. The Company would disclose the same in the quarterly result in due course.
- A34) This was addressed in Q16.
- A35) This was addressed in Q15.
- A36) LCO2 only contribute 50% of the Industrial Gas business and the remaining was consists of different section of Industrial Gas. Moreover, the Company also involved in onsite supply and gas trading.

Mr Koay Jin Yuan raised the following questions:

- Q37) What is the current orderbook of the company, how much of it are outstanding?

Mr Ong replied as follows:

- A37) This was addressed in Q20.

Mr Sow Ben Son raised the following questions:

- Q38) Any plan for KGB to venture to other gas, eg like helium for industry gas segment apart from LCO2? What is KGB strength as compared to Linde gas?

Mr Ong replied as follows:

- A38) Helium gas could not be produced locally and there were only a handful of countries produce helium gas. The Group also involved in the distribution of helium gas by importing the gas from the producer and exporting to Taiwan customer at the moment.

The Group was confident in running the gas business as the senior management of the division was from Linde Gas.

Ms Nur Amirah Binti Amirudin raised the following question:

- Q39) Under Practice 5.9 of the Malaysian Code of Corporate Governance, it is stipulated that the Board have a minimum of 30% women directors. However, the current Board's composition consists of only two women directors, representing 20% of the total.

What is the progress in identifying suitable candidates? How many candidates were interviewed and shortlisted?

Mr Ong replied that as follows:

- A39) The Board would endeavour to look for suitable women candidate to be appointed to the Board in order to meet the 30% women directors.

KELINGTON GROUP BERHAD
 Registration No. 199901026486 (501386-P)
 (Incorporated in Malaysia)

Resolutions proposed and duly passed at the Twenty Third Annual General Meeting of Kelington Group Berhad (“KGB”) held on 21 June 2023

Resolutions	For			Against		
	No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
<u>Ordinary Resolution 1</u> To re-elect Ng Lee Kuan who is retiring as Director in accordance with the Clause 97 of the Company's Constitution, and being eligible, has offered herself for re-election	160	358,231,602	99.9891	5	39,006	0.0109
<u>Ordinary Resolution 2</u> To re-elect Hu Keqin who is retiring as Director in accordance with the Clause 97 of the Company's Constitution, and being eligible, has offered himself for re-election	145	312,103,211	87.1138	20	46,167,397	12.8862
<u>Ordinary Resolution 3</u> To re-elect Cham Teck Kuang who is retiring as Director in accordance with the Clause 97 of the Company's Constitution, and being eligible, has offered himself for re-election	145	312,103,211	87.1138	20	46,167,397	12.8862

Resolutions proposed and duly passed at the Twenty Third Annual General Meeting held on 21 June 2023

Resolutions	For			Against		
	No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
<p><u>Ordinary Resolution 4</u></p> <p>To re-elect Ng Meng Kwai who is retiring as Director in accordance with the Clause 104 of the Company's Constitution, and being eligible, has offered himself for re-election</p>	153	312,575,802	87.2465	11	45,691,806	12.7535
<p><u>Ordinary Resolution 5</u></p> <p>To re-elect Rahima Beevi Binti Mohamed Ibrahim who is retiring as Director in accordance with the Clause 104 of the Company's Constitution, and being eligible, has offered herself for re-election</p>	158	358,231,098	99.9890	7	39,510	0.0110
<p><u>Ordinary Resolution 6</u></p> <p>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</p>	153	358,212,496	99.9838	12	58,112	0.0162
<p><u>Ordinary Resolution 7</u></p> <p>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</p>	150	357,754,111	99.8558	15	516,497	0.1442

Resolutions proposed and duly passed at the Twenty Third Annual General Meeting held on 21 June 2023

Resolutions		For			Against		
		No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
Ordinary Resolution 8 To approve the continuing in office for Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman as an Independent Non-Executive Director	Tier 1	1	135,406,980	100.0000	Nil	Nil	0.0000
	Tier 2	146	160,686,518	72.1008	18	62,177,110	27.8992
Ordinary Resolution 9 To approve the continuing in office for Soo Yuit Weng as an Independent Non-Executive Director	Tier 1	1	135,406,980	100.0000	Nil	Nil	0.0000
	Tier 2	148	160,687,022	72.1011	16	62,176,606	27.8989
Ordinary Resolution 10 Authority to Issue and Allot Shares		153	358,190,698	99.9917	11	29,910	0.0083
Ordinary Resolution 11 Proposed Authority for Purchase of Own Shares by the Company		159	358,258,498	99.9966	6	12,110	0.0034

Resolutions proposed and duly passed at the Twenty Third Annual General Meeting held on 21 June 2023

Resolutions	For			Against		
	No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
<p><u>Ordinary Resolution 12</u></p> <p>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</p>	147	217,251,890	99.5804	16	915,406	0.4196
<p><u>Ordinary Resolution 13</u></p> <p>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</p>	147	221,948,218	99.5893	17	915,410	0.4107