

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

**MINUTES OF THE TWENTY FOURTH 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 FRIDAY, 21 JUNE 2024 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
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
Chow Meow Luan	- Independent Non-Executive Director
Chin Wei Min	- Independent Non-Executive Director

IN ATTENDANCE

Teo Mee Hui	- Company Secretary
Tan Bee Hwa	- Company Secretary

BY INVITATION

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

* 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 Fourth Annual General Meeting (“24th AGM”) of the Company.

The Chairman informed that the 24th AGM of the Company was conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting using the Remote Participation and Voting (“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 2023 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 by the Company had been issued to all shareholders via electronic means on 30 April 2024 and the same can be downloaded from the Company’s website. Furthermore, the Notice was duly advertised in the mainstream newspaper, The Star Newspaper 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”).

Dvote Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process 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 2023 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 2023 (“**AFS**”), having been circulated to all the shareholders of the Company within the statutory period, were tabled at the 24th 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 – IR GAN HUNG KENG

The second item on the Agenda was pertaining to the re-election of the Chairman as a Director of the Company, the Chairman thus passed the chair to Mr Ong Weng Leong (“Mr Ong”), the Chief Operating Officer of the Company to proceed with this proposed resolution.

Mr Ong informed that Ir Gan, shall retire as a Director pursuant to Clause 97 of the Company's Constitution, and eligible for re-election, had offered himself for re-election. The profile of Ir Gan could be found on page 108 of the 2023 Annual Report.

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

7. ORDINARY RESOLUTION 2
- RE-ELECTION OF DIRECTOR – MR SOO YUIT WENG

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

The Chairman informed that Mr Soo, being eligible for re-election, had offered himself for re-election and the profile of Mr Soo could be found on page 110 of the 2023 Annual Report.

8. ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – MR SOH TONG HWA

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

The Chairman informed that Mr Soh, being eligible for re-election, had offered himself for re-election and the profile of Mr Soh could be found on page 111 of the 2023 Annual Report.

9. ORDINARY RESOLUTION 4
- RE-ELECTION OF DIRECTOR – MS CHOW MEOW LUAN

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

The Chairman informed that Ms Chow, being eligible for re-election, had offered herself for re-election and the profile of Ms Chow could be found on page 116 of the 2023 Annual Report.

10. ORDINARY RESOLUTION 5
- RE-ELECTION OF DIRECTOR – MR CHIN WEI MIN

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

The Chairman informed that Mr Chin, being eligible for re-election, had offered himself for re-election and the profile of Mr Chin could be found on page 117 of the 2023 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 RM345,000 to the Board of the Company for the financial period from 1 July 2024 until 30 June 2025.

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 – SOO YUIT WENG

The Chairman informed the Meeting that the next proposed resolution 8 was to approve the continuing in office of Mr Soo Yuit Weng 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 292 of the Annual Report 2023.

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

14. ORDINARY RESOLUTION 9
- 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.

15. ORDINARY RESOLUTION 10
- 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 30 April 2024.

16. 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.

17. Q&A SESSION

The Chairman informed that the Company had received questions prior to and during the 24th AGM. The questions received would be moderated to avoid repetition and would be summarised for reasons of brevity.

Mr Ong, the COO 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**.

18. 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.

19. 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 10 tabled at the AGM and voted upon by poll were all **CARRIED** and the Meeting **RESOLVED**:

ORDINARY RESOLUTION 1

- **RE-ELECTION OF IR GAN HUNG KENG WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Ir Gan Hung Keng 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 SOO YUIT WENG WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Soo Yuit Weng 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 SOH TONG HWA WHO RETIRED IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Soh Tong Hwa, 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 MS CHOW MEOW LUAN WHO RETIRED IN ACCORDANCE WITH CLAUSE 104 OF THE COMPANY'S CONSTITUTION**
-

THAT Ms Chow Meow Luan, 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 MR CHIN WEI MIN WHO RETIRED IN ACCORDANCE WITH CLAUSE 104 OF THE COMPANY'S CONSTITUTION**
-

THAT Mr Chin Wei Min, 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 RM345,000 FOR THE PERIOD FROM 1 JULY 2024 UNTIL 30 JUNE 2025**
-

THAT the payment of Directors' remuneration to the Board of the Company amounting to RM345,000 for the period from 1 July 2024 until 30 June 2025 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 – 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 9
- 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
- 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 as at the time of purchase; 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.

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”) of the Company following the general meeting at which such resolution was passed, at which time it shall lapse unless, by ordinary resolution passed at that 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 an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 of Malaysia, and the entering into all other agreements, arrangements and guarantee with any party or parties) 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 and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends or transfer the shares under employee share scheme or as purchase consideration) in accordance with the Constitution of the Company and the requirements and/or guidelines of Main Market Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities.

20. CONCLUSION

There being no other business, the Meeting was concluded at 11:38 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/Proxies of Kelington Group Berhad at the Twenty Fourth Annual General Meeting of Kelington Group Berhad (“KGB”) held on 21 June 2024

QUESTIONS RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

Q1. As outlined in the 2Q2023 slide deck available on the official website, the Group is Malaysia’s second-largest carbon dioxide producer.

- a) What is the Group’s current market share as a carbon dioxide producer in Malaysia?**
- b) What are the Group’s strategies to strengthen its market position and potentially dominate the market?**

A1. The Company has not conducted any official market research. Based on the estimation, the Company currently occupies approximately 20% to 30% of the Malaysia’s market share. There were only three carbon dioxide producers in Malaysia and the Company was second largest carbon dioxide producer.

To strengthen the market position, the Company had expanded the production capacity by constructing the first LCO₂ plant in 2019 which has since reached full capacity. Subsequently, the Company had further expended its production capacity with a second LCO₂ plant (“P2”) which commenced production in the first quarter of 2024. The Company would ramp up the production capacity of P2 and hoped that the same could reach full capacity in the next 3 to 4 years.

On the expansion of demand and sale of LCO₂, apart from Malaysia market, the Company was also exporting LCO₂ to overseas such as Singapore, Australia, New Zealand, Fiji, Vietnam and South Africa, and would continue to expand the geographical coverage in near future. Additionally, the Company would also exploring opportunities to either build or acquire more production capacity overseas.

Q2. Revenue from the Process Engineering segment more than doubled to RM123.9 million from RM51.0 million previously due to a significant project undertaken in Malaysia (page 19 of AR2023).

- a) Has the project awarded in 2022 been completed? If so, what are the next upcoming significant projects for this business segment?**
- b) With the substantial revenue growth that nearly doubled, is it anticipated that this business segment will maintain its performance throughout FYE2024? If not, what foreseeable challenges might impact the future growth trajectory of this business segment?**

- A2. The Company had completed large portion of the projects awarded in year 2022, and the outstanding order in Process Engineering segment was recorded at approximately RM68 million.

The Company would actively pursuing new opportunity by tendering more jobs within the Process Engineering segment and hopefully could secure some jobs across various industries. Looking ahead, the Company continue to explore new opportunity in all the operating segments of the Company, in addition to engineering in order to secure more jobs. The Company was expected to secure more UHP projects as the next two to three years was the upcycle for semiconductor industry.

- Q3. *Manufacturing and trading of industrial gases grew at a remarkable 82% to RM113.8 million from RM63.0 million a year ago. The higher contribution from the Industrial Gases segment was mainly boosted by increased demand for LCO2 from both local and export markets (page 19 of AR2023).***

- a) *Please provide specific figures regarding the increase in demand from both the local and export markets for LCO2.*
- b) *Are there any plans to construct new plants due to the LCOS2 plant's full utilisation? If so, which regions are being considered for potential expansion?*
- c) *As the closure of petrochemical plants becomes more prevalent and the associated environmental risks remain a concern, how does the Group plan to navigate the controversial nature of venturing into this sector while prioritising environmental sustainability and addressing potential pollution issues?*

- A3. The demand from local market and export markets has increased to RM54 million and RM60 million respectively in the FY 2023 from the demand of RM31 million each in FY 2022. The demand from export market has grown faster than local market.

P2 was constructed and had just commenced production in the Q1 2024. The Company would focus on exploring new market particularly, export market to ramp up the production capacity.

On the environment sustainability and potential pollution issues, the Company was taking the carbon dioxide ("Co2") emissions from the nearby gas processing plant and bring emission stream to the Company's plant for further purification and liquefaction. By doing so, this has reduced the carbon emission to the atmosphere rather than create pollution. From the Company's point of view, these would not only help to reduce the environmental impact, the same also create economic value to the Company.

- Q4. *At the Group's 23rd AGM, the management/board stated that the Group renewed its contract with Semiconductor Manufacturing International Corporation (SMIC) and landed additional orders from another significant client, ChangXin Memory Technologies (CXMT). Despite facing competition from Taiwanese and Chinese rivals, the Group remains confident in its ability to win contracts from major customers in China.***

- a) *What specific projects has the Group secured with ChangXin Memory Technologies (CXMT)? Please provide details on the nature and scope of these projects.*

b) What factors contributed to the Group’s confidence in securing these projects amidst competition from Taiwanese and Chinese rivals?

A4. The Company had awarded 3 contracts from ChangXin Memory Technologies (CXMT) as follows:

Awarded Date	Project Value	Job Scope
December 2023	RMB 143 million	Specialty gas-based build
March 2024	RMB 32 million	Specialty Gas Expansion
May 2024	RMB 14.8 million	Specialty Gas Expansion

The Company’s track records were the main factor contributed to the Group’s confidence in securing projects in China. The Company has been present in China since year 2004 and built a long and strong track records in China. In addition, majority of the customers in China was repeated customer. Therefore, the Company has confidence in strengthening its position in China.

Q5. The GHG (CO2) emission for Scope 1 and 2 increased substantially by 11.8% and 26.7% year on year, mainly contributed by Industrial Gases Division’s LCO2 man GHG (CO2) emissions in Scope 1 and 2 in FYE2023 manufacturing process and business activities (page 49 of AR2023).

- a) Is it feasible to reduce GHG (CO2) emissions in Scope 1 and 2 in FYE2024? If not, what are the reasons behind this limitation?**
- b) Are there any plans to subscribe to the Green Energy Tariff (GET) to reinforce the support for sustainable energy sources?**

A5. It is common for the emissions increase in Scope 1 and 2 due to the increase of market demand and production, and the emissions reduction is impossible whilst the Company is producing more products. Hence, the Company would measure the intensity of the emission rather than the absolute value. The intensity value in the FY 2023 has reduced as compared to the previous year reporting.

The Company would actively seeking solutions to improve its operational and energy efficiencies. In addition, different best practices had also been integrated into the production process with the aim of reducing the intensity of Co2 emission for Scope 1 and 2, despite the actual value of emission might increase.

The Company was aware of the Green Energy Tariff (“GET”) scheme. However, the cost of GET was higher than the traditional energy tariff provided by Tenaga Nasional Berhad. While the Company is cognizant of the need to reduce the environmental impact, the Company should also be mindful on the potential cost impact to the business. Hence, the Company has no intention to adopt GET in the short term.

Nevertheless, the Company was expecting the cost of GET would probably reduce in future. Hence, the Company would definitely re-look again when the opportunity arises.

Q6. Practice 1.3 of the Malaysian Code on Corporate Governance (MCCG) recommended that the positions of Chairman and CEO be held by different individuals.

Nonetheless, the roles of the Chairman and Chief Executive Officer (“CEO”) have not been separated, and both functions continue to be held by Ir. Gan Hung Keng (page 5 of Corporate Governance (CG) Report 2023).

a) What factors contribute to the extended timeline for separating the roles of Chairman and CEO, targeted for the end of 2025, despite the Board having already defined distinct responsibilities for the Chairman and CEO as outlined in the Board Charter?

b) Additionally, the Board is employing independent sources (Practice 5.6 of MCCG) to identify suitable candidates for board nomination. Hence, should the identification of a chairman candidate be expedited?

A6. The Group was involved in the high technology industry which provides end-to-end engineering solutions for UHP gas and chemical delivery systems. As such, the Chairman was required to have the right experience, strength and understanding of the Group’s business operations. The Company is careful with choosing the right candidate, with the help of the extended timeline, the Company could look for the right person.

The following measures had been adopted by the Company:

- i) the Board has established the roles and responsibilities of the Chairman, which distinct and separate from the duties and responsibilities of the CEO as set out in the Board Charter.
- ii) All decisions of the Board to be made unanimously or by consensus. To ensure a balance of power and authority on the Board, the Board comprises half of Independent Directors to provide more effective oversight of Management as well as to support objective and independent deliberation review and decision-making.
- iii) The Board was satisfied and assured that no individual or group of Directors has unfettered powers of decision making that could create a potential conflict of interest.

The current plan of the Company was to identify a suitable CEO that fits Kelington’s culture and strategy, while Ir. Gan would be remained as Chairman of the Company.

Q7. Practice 5.9 of the MCCG stated that the board comprises at least 30% women directors.

Currently, the Board comprises two (2) female directors out of a total of ten (10), constituting 20% of the Board Composition (page 36 of CG Report 2023).

Have additional female directors been identified by the Group?

- A7. During the financial year ended 31 December 2023, the Board had 2 women Directors, Puan Rahima Beevi Binti Mohamed Ibrahim and Ms. Chow Meow Luan, and the Board now comprises 20% women Directors. The Board would endeavour to look for suitable women candidate to be appointed to the Board in order to meet the 30% women directors by end of the year.

QUESTIONS RECEIVED FROM THE SHAREHOLDERS PRIOR TO THE MEETING

The following questions were raised by Zi Qing:-

Q8. Please share with us the latest total amount of contract secured on hand.

Q9. In addition, please share with us the latest utilisation rate of the new plant.

Mr. Ong replied that:-

- A8. As at mid-June 2024, the total amount of contract secured was recorded at approximately RM500 million. Nevertheless, the Company would disclose the actual amount in the quarterly result in due course.
- A9. The annual production capacity of P1 was up to 50,000 metric tons while P2 was up to 70,000 metric tons. Currently the utilisation rate of the Plants was about 58% to 60% of the total enlarged capacity. The Company would ramp up the production capacity of P2 and hopefully the same can reach its full capacity in next 3 to 4 years.

The following questions were raised by Heng Chon Tee:-

Q10. How does the Company formulate policies to ensure the sustainable operation of the business?

Q11. As construction contract are typically one-time transactions, how can the company ensure that revenue continues to progress even after successive projects are completed and saturation is reached?

Q12. Although the company has already engaged in business such as the liquefaction of carbon dioxide and other liquids, the proportion of revenue from service segments remains relatively low. What plans the company's management have to increase the proportion of revenue from service segments? Alternatively, do they believe that there is still plenty of room for development in the model of awarding construction contracts and that saturation will not be reached so quickly?

Mr. Ong replied that:-

- A10. The main strategy adopting by the Company was to use engineering business as cash cow. The nature of engineering business was short in tenure which usually the projects could be completed within 6 to 9 months. The Company does not opine that the engineering business was a short-term visibility revenue.

The Company would use the cash generated from engineering business to reinvest into industrial gases business which required more capital expenditure. Moving forward, the Company would have more investments in industrial gases business.

On the other hand, the Board was supported by the Risk Management Committee overseeing the sustainability strategies. The Group CEO along with Executive Committee and COO to drive the integration of the sustainability into the business plan of the Company. These would ensure the sustainable operation of the Company.

- A11. The Company was involved in three business segments within the engineering business namely, UHP, General Contracting and Process Engineering, each serving different industry, which has its own up and down cycle.

On the other hand, the Company was operating in different countries such as Malaysia, China, Taiwan and Singapore, and the recent expansion to Hong Kong and Germany. The different geographical coverage would help the Company to smoothen the up and down cycle of the different industries.

Also, the Company would actively monitoring the tender book of the Company. As at 31 March 2024, the total orderbook of the Group was recorded at approximately RM1.6 billion. The Company was expected more tender activities in the second half of the year.

- A12. The Company has a lot of ongoing tender projects, and the tender activities was good. Also, the Company had exposure in different business segments and different countries. Hence, the Company do not foresee any saturation of projects reaching soon. Nevertheless, the Company would continue to explore in Service segment and would seize the opportunity as there arise.

QUESTIONS RAISED BY THE SHAREHOLDERS/ PROXIES DURING THE MEETING

The following question was raised by Lau Chuan Hooi:-

Q13. Any door gift?

- A13. The Company has adopted no door gift policy. Hence, there would be no door gift for attendees of the AGM. Nevertheless, the attendance of shareholders was appreciated.

The following question was raised by Wong Kin Wing:-

Q14. Please enlighten on KGB group's year to date total contract secured amount.

- A14. This was addressed in Q8.

The following questions were raised by Toh Zhe Han:-

Q15. What is the LCO2 plant utilisation rate respectively as of now?

Q16. What is the outlook for UHP segment overseas? Any proper negotiation is ongoing?

Q17. What is the current tender value?

Q18. What is the confidence level to obtain China, Singapore and Germany order?

Mr. Ong replied that:-

A15. This was addressed in Q9.

A16. This year and next two years were the up cycle for semiconductor industry. The Company was expected to secure more UHP projects, especially in oversea, China and Singapore.

A17. As at 31 March 2024, the total orderbook of the Group was recorded at approximately RM1.6 billion. Nevertheless, the Company would disclose the actual amount of total orderbook in the quarterly result in due course.

A18. The Company was confident to secure orders from China, Singapore and Germany. Also, the Company would endeavour to secure more orders.

The following question was raised by Lau Chu Lee:-

Q19. Since KGB cannot afford to pay higher dividend to shareholders due funds required for business expansion, can company reward shareholders with bonus issue?

A19. Mr Ong replied that currently the Company has no intention to declare any bonus issue, and would consider the proposal in future. Mr Ong further informed that the Company had declared an additional dividend in the Q1 2024 which traditionally the Company only declare dividend in Q2 and Q4. Hence, the Company do pay better dividend due to good performance.

The following question was raised by Ngee Geok Choo:-

Q20. Kindly send me a copy of the latest annual report, I also request for door gifts for today's AGM as an appreciation for shareholders.

A20. The Company has taken note of the request and will make the necessary arrangements for sending the latest annual report. While for the door gift, the Company has adopted no door gift policy. Hence, there would be no door gift for attendees of the AGM

The following question was raised by Kow Lih Shi:-

Q21. Whether Management consider giving e-voucher for those attended the AGM?

A21. This was addressed in Q13.

The following question was raised by Tan Ze Chien:-

Q22. What is the latest utilisation of your industrial gas (120k MT)? According to RHB research report, the utilisation was around 58% as at end of May 2024.

A22. This was addressed in Q9.

The following question was raised by Chua Eng Kiat:-

Q23. Does the management have any plan for the bonus issue and increase the dividend payment after several years of well financial performance?

A23. This was addressed in Q19.

The following question was raised by Lim Kheng Joo:-

Q24. The company is doing very well under the able leadership of the Board of Directors and top management leaders. Apart from paying good dividend, I like to request the Board of Directors to consider giving an ewallet reload to RPV participants as a token of appreciation.

A24. This was addressed in Q13.

The following question was raised by Tan Khay Yong:-

Q25. Can I know the total contract awarded for April till now?

A25. This was addressed in Q8.

The following questions were raised by Wong Yeou Yi:-

Q26. Up to current Q2, what is the current tender order book?

Q27. What percentage of revenue growth does management anticipate in year 2024 compare 2023?

Mr. Ong replied that:-

A26. The Company was unable to confirm the value of tender order book for the Q2 2024 as the period has not ended. The Company would disclose the same in the quarterly result in due course.

A27. The Company would focus on profit growth rather than revenue growth. Also, the Company was still monitoring the implementation of projects. Hence, the Company unable to provide a forecast on revenue growth at the moment.

The following question was raised by Lim Thean Yeong:-

Q28. Is there a possibility for the company to be involved in a data center cooling system? Does the data center use regular cooling water, or does it require liquid carbon dioxide or industrial gases?

A28. Mr Ong replied that the Company was currently exploring different opportunities arises with the data center projects. When the opportunity become more solid, the Company would make the announcement on the same.

The following questions were raised by Fong Kian Fatt:-

- Q29. Why are the performance in the first quarter of every year always weaker?**
- Q30. What is the value of the contract is currently bidding of?**
- Q31. How much revenue can on site gas supply bring to the company in a year? will on site gas supply has new potential customer this year?**
- Q32. Does the company plan to build third new co2 plant?**
- Q33. Will the company benefit from the recent AI and data center boom in Malaysia? Has the company bid for any contracts in this area?**
- Q34. In term of industrial gas business, can company benefit from trading of carbon right?**
- Q35. Has the recent increase in shipping prices affected the company and its customers?**
- Q36. How many competitors does the company have in the UHP industrial in Malaysia?**
- Q37. Does the company bid for contracts in the oil and gas industry? How does the company view the oil and gas industry?**

Mr. Ong replied that:-

- A29. Due to the festive season and winter in China, revenue for the first quarter was typically lower as compared to other quarters.
- A30. This was addressed in Q8.
- A31. Currently the onsite gas supply generated revenue about RM40 million. Nevertheless, the Company would continue to explore new onsite customers. If there are any opportunities arises, the Company would make announcement accordingly.
- A32. This was addressed in Q3.
- A33. This was addressed in Q28.
- A34. Currently the Company was not involved in carbon right trading business.
- A35. The shipping cost for LCO2 or any materials would be passed down to the customers. Hence, increase in shipping prices would not affect the Company directly, but would affects the customer of the Company.
- A36. There are not many companies doing UHP business in Malaysia, probably one or two apart from the Company. Hence, not much competition in UHP business.
- A37. Currently the Company was doing contract for oil and gas industry under process engineering segment. The oil and gas industry was still an important industry in Malaysia.

The following question was raised by Lam Kun Onn:-

Q38. Revenue is high and margin is small, high risk of cost fluctuation from raw materials and forex will wide off the profit, how you mitigate the risk?

A38. The Management does not opine that the cost fluctuation from raw materials and forex would wide off the profit due to the following reasons:

- i) short tenure of the project.
- ii) the materials cost would be locked at the tender stage by order the materials once the project awarded. Hence, the materials cost was same as the cost using in tender stage.
- iii) the materials cost would be locked with hedging strategy. Hence, the Company would not expose to the cost fluctuation from forex

The following question was raised by Wee Ton Wang:-

Q39. What are the projected % increase in revenue and EPS for 2024?

A39. This was addressed in Q27.

The following question was raised by Chan Fung Han:-

Q40. How much of the outstanding trade receivables of RM386.8 million as at 31/12/2023, especially the past due balance of RM54.8 million, had been collected as of now/latest applicable?

A40. 85% of the outstanding trade receivables as at 31 December 2023, which amounting to approximately RM320 million had been collected. The balance of outstanding trade receivables was mainly due to performance warranty which are not yet due. It was noted that the Company would provide a performance warranty of 1 year to the customer. Hence, certain sum of contract would be retained as warranty sum and to be collected upon end of warranty period.

The following question was raised by Wong Chia Heon:-

Q41. Any possibility to have a footprint for data center cooling system other than food preservation?

A41. This was addressed in Q29.

The following question was raised by Chua Mun Jun:-

Q42. Is there any plan to spin-off listing of the industrial gas business division?

A42. The Company has no intention to spin-off listing of the industrial gas business division at the moment. With the strong balance sheet and management team, the industrial gas business division could be managed without spinning off. In addition, the shareholder would benefit from the growth of industrial gas business. Nevertheless, spin-off listing was always an option to the Company if industrial gas business required funding in the future.

The following question was raised by James Hugh Alexander Hay:-

Q43. I congratulate you on your no gift policy.

Also, a bonus issue is worth zero to anyone other than the investment bank that receives a fee for it.

But you should have a physical AGM. It is the right of the shareholders to grill the management and directors.

Was the board unanimous in approving the virtual AGM? Do the independent directors really think this virtual meeting is in the best interests of the minorities? Did anyone suggest a hybrid meeting?

A43. The Board took note of the suggestion and would discuss and consider the hybrid meeting in next year.

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

Resolutions proposed and duly passed at the Twenty Fourth Annual General Meeting of Kelington Group Berhad held on 21 June 2024

Resolutions	For			Against		
	No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
<u>Ordinary Resolution 1</u> To re-elect Gan Hung Keng 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	204	347,674,343	97.7174	19	8,121,565	2.2826
<u>Ordinary Resolution 2</u> To re-elect Soo Yuit Weng 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	159	262,980,191	81.2287	38	60,772,717	18.7713
<u>Ordinary Resolution 3</u> To re-elect Soh Tong Hwa 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	204	351,590,591	87.2754	24	51,261,317	12.7246
<u>Ordinary Resolution 4</u> To re-elect Chow Meow Luan 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	223	402,799,902	99.9871	5	52,006	0.0129

Resolutions		For			Against		
		No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
<u>Ordinary Resolution 5</u> To re-elect Chin Wei Min 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		216	355,712,902	99.9767	7	83,006	0.0233
<u>Ordinary Resolution 6</u> To approve the payment of Directors' remuneration payable to the Board of the Company amounting to RM345,000 for the period from 1 July 2024 until 30 June 2025		214	402,702,898	99.9687	11	125,906	0.0313
<u>Ordinary Resolution 7</u> 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		205	396,604,591	98.4492	23	6,247,317	1.5508
<u>Ordinary Resolution 8</u> 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	161	127,814,943	67.8618	35	60,530,985	32.1382
<u>Ordinary Resolution 9</u> Authority to Issue and Allot Shares		208	392,810,378	97.5074	19	10,041,430	2.4926
<u>Ordinary Resolution 10</u> Proposed Renewal of Authority for Purchase of Own Shares by the Company		218	402,773,778	99.9806	9	78,030	0.0194