

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("AGM") of Kia Lim Berhad will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Wednesday, 24 May 2017 at 12.00 noon to transact the following businesses.

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the year ended 31 December 2016 together with the Directors' and Auditors' Report thereon. **Refer to Note (a)**
- To approve the payment of Directors' fees and benefits for the year ended 31 December 2016. **RESOLUTION 1**
- To re-elect the following Director who retires during the year in accordance with Article 80 of the Company's Articles of Association and being eligible, offer himself for re-election: -
i) Mr Chua Syer Cin **RESOLUTION 2**
- To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **RESOLUTION 3**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions: -

5. ORDINARY RESOLUTION 1

RE-APPOINTMENT OF DIRECTORS

"THAT the following Directors be and are hereby re-appointed as Directors of the Company:

- Datuk Ng Yeng Keng @ Ng Ka Hiat;
- Dr Ng Yam Puan @ Ng Ah Bah; and
- En Mohd Salleh Bin Jantan"

Refer to Note (b)

RESOLUTION 4

RESOLUTION 5

RESOLUTION 6

6. ORDINARY RESOLUTION 2

AUTHORITY TO ALLOT SHARES - SECTION 76

"THAT pursuant to Section 76 of the Companies Act, 2016 and subject to the approval of relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued share capital of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority conferred by this resolution shall commence upon passing this resolution until:

Refer to Note (c)

- the conclusion of the annual general meeting held next after the approval was given; or
- the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever occurs first."

7. ORDINARY RESOLUTION 3

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

"THAT authority be and is hereby given to Mr Loh Chee Kan to continue to serve as an Independent Director of the Company in accordance with Malaysian Code On Corporate Governance 2012."

RESOLUTION 8

Refer to Note (d)

8. ORDINARY RESOLUTION 4

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

"THAT authority be and is hereby given to Mr Chua Syer Cin to continue to serve as an Independent Director of the Company in accordance with Malaysian Code On Corporate Governance 2012."

RESOLUTION 9

Refer to Note (d)

9. ORDINARY RESOLUTION 5

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

"THAT authority be and is hereby given to En Mohd Salleh Bin Jantan to continue to serve as an Independent Director of the Company in accordance with Malaysian Code On Corporate Governance 2012."

RESOLUTION 10

Refer to Note (d)

- To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the Act and the Company's Articles of Association.

BY ORDER OF THE BOARD

LEONG SIEW FOONG

MAICSA No. 7007572

Company Secretary

Johor Bahru

Dated: 27 April 2017

NOTES

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES:

- This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence, it is not put forward for voting.

- Resolution 4, 5 and 6

With the coming into force of the Companies Act, 2016 on 31 January 2017, there is no age limit for directors.

At the Twenty-First Annual General Meeting held on 25 May 2016, Datuk Ng Yeng Keng @ Ng Ka Hiat, Dr Ng Yam Puan @ Ng Ah Bah and En Mohd Salleh Bin Jantan who are above the age of 70, were re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the Twenty-First Annual General Meeting. Their term of office will end at the conclusion of Twenty-First Annual General Meeting and they have offered themselves for re-appointment.

The proposed Ordinary Resolution 4, 5 and 6 if passed, will enable Datuk Ng Yeng Keng @ Ng Ka Hiat, Dr Ng Yam Puan @ Ng Ah Bah and En Mohd Salleh Bin Jantan to continue to act as Directors of the Company and they shall subject to retirement by rotation at a later date.

The Nomination Committee of the Company has assessed the criteria and contribution of Datuk Ng Yeng Keng @ Ng Ka Hiat, Dr Ng Yam Puan @ Ng Ah Bah and En Mohd Salleh Bin Jantan and recommended for their re-appointment. The Board endorsed the Nomination Committee's recommendation that Datuk Ng Yeng Keng @ Ng Ka Hiat, Dr Ng Yam Puan @ Ng Ah Bah and En Mohd Salleh Bin Jantan be re-appointed as Directors of the Company.

- Resolution 7

The proposed Resolution No. 7 if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.

This authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limiting to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

- Resolutions 8, 9 and 10

Mr. Loh Chee Kan, Mr. Chua Syer Cin and En Mohd Salleh Bin Jantan are Independent Directors of the Company who have served the Company for more than nine years.

In line with the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed their independence as defined in Bursa Securities Listing Requirements which have not been compromised all these while. In fact, they exercise their judgment in an independent and unfettered manner, discharge their duties with reasonable care, skill and diligent; bringing independent thought and experience to board deliberations and decision making process all these while which is valuable to the Company. To that, the Board recommends Mr Loh Chee Kan, Mr Chua Syer Cin and En Mohd Salleh Bin Jantan to continue their office as Independent Directors according to the resolutions put forth in the forthcoming Annual General Meeting.

ADDITIONAL NOTES

The Memorandum and Articles of Association of the Company shall have effect and enforceable under Companies Act, 2016 pursuant to Section 619(3) of Companies Act, 2016.

Arising from the migration to the no par value regime under the Companies Act, 2016, par value is no longer relevant.