

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth 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 Tuesday, 28 May 2019 at 12.00 noon to transact the following businesses.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2018 together with the Directors' and Auditors' Report thereon. Refer to Note (a)
2. To approve the proposed payment of Directors' fees and benefits for the Company and its subsidiaries of up to RM121,800 for the financial year ending 31 December 2019. RESOLUTION 1
Refer to Note (b)
3. To re-elect the following Directors who retire during the year in accordance with Article 80 of the Company's Articles of Association and being eligible, offer themselves for re-election:
 - i. Mr Ng Chin Kang RESOLUTION 2
Refer to Note (c)
 - ii. Mr Chua Syer Cin RESOLUTION 3
Refer to Note (c)
4. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. RESOLUTION 4
Refer to Note (d)

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

5. **ORDINARY RESOLUTION 1
AUTHORITY TO ALLOT SHARES – SECTIONS 75 AND 76**
"THAT pursuant to Sections 75 and 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 shares of the Company (excluding treasury shares) 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:
 - (a) the conclusion of the annual general meeting held next after the approval was given; or
 - (b) 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." RESOLUTION 5
Refer to Note (e)
6. **ORDINARY RESOLUTION 2
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." RESOLUTION 6
Refer to Note (f)
7. **ORDINARY RESOLUTION 3
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." RESOLUTION 7
Refer to Note (f)
8. **ORDINARY RESOLUTION 4
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." RESOLUTION 8
Refer to Note (f)
9. **SPECIAL RESOLUTION
PROPOSED ALTERATION OR AMENDMENT OF THE CONSTITUTION OF KIA LIM BERHAD**
"THAT approval be and is hereby given to alter or amend the existing Constitution of the Company by replacing it entirely with a new Constitution of the Company as set out in Appendix I with immediate effect **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." RESOLUTION 9
Refer to Note (g)
10. 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: 29 April 2019

NOTES

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES:

- (a) 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.
- (b) Directors' fees and benefits
Directors' remuneration
Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at Twenty-Fourth Annual General Meeting ("24th AGM") on the Directors' remuneration tabled in Resolution 1.
Directors' fees
The Board decided that the Directors' fees for financial year ("FY") ending 31 December 2019 be maintained as the previous FY subject to the performance of the Company and the current global economy. The detailed Directors' fees are contained in page 19 of Corporate Governance Overview Statement in the Annual Report.
Benefits payable to Directors
The benefits payable to Directors comprised the allowance and other emoluments payable to the Chairman and members of the Board of the Company and its subsidiaries.
The Directors' current and proposed remuneration structure is detailed as below:

Remuneration for Directors of the Company	2018	2019
	Amount (RM)	Proposed Amount (RM)
Fee for Chairman	35,000	35,000
Fee for each Independent Non-Executive Director	20,000	20,000
Fee for each Executive Director	15,000	15,000
Meeting Allowance per meeting*	800	800

* Only for Non-Executive Directors.

Payment of benefits to the Directors will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company for the FY ending 31 December 2019, based on the proposed benefits, if the proposed Resolution 1 is passed at the 24th AGM.

- (c) Re-election of Directors who retire in accordance with Article 80 of the Company's Articles of Association ("AA")
Article 80 of the AA provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of Five (5), two (2) Directors are to retire in accordance with Article 80 of the AA provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.
For the purpose of determining the eligibility of the Directors to stand for re-election at the 24th AGM, the Nomination Committee ("NC") has considered the following:
 - (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
 - (2) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.
 In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence bi-annually of 2018.
The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 80 of the AA are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.
- (d) Re-appointment of Auditors
Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs Ernst & Young, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Ernst & Young, have indicated their willingness to continue their service until the conclusion of next AGM. The re-appointment of Messrs Ernst & Young as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 4, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.
- (e) Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016
The proposed Resolution 5 under item 5 of the agenda above, if passed, will empower the Directors of the Company, from the date of the 24th AGM, with the authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.
The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the Twenty-Third Annual General Meeting ("23rd AGM") held on 30 May 2018. The renewal of general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/ or future investment projects, working capital and/or acquisitions which the Directors deem necessary and feasible.
Up to date of this Notice, the Company has not issued any shares pursuant to the mandate granted to the Directors at the 23rd AGM as there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.
- (f) Continuation of terms of office as Independent Directors
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 MCCG, the NC has assessed their independence as defined in Bursa Securities Listing Requirements which have not been compromised all these while. Hence, 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. Hence, 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 Resolution 6, 7 and 8 put forth at the 24th AGM.
Mr Loh Chee Kan, Mr Chua Syer Cin and En Mohd Salleh Bin Jantan shall be subjected to two-tier voting in accordance with the MCCG as they have served the Company for more than 12 years.
- (g) 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. The Company is proposing a new Constitution to replace its existing Memorandum & Articles of Association (deemed as Constitution by Companies Act 2016) in order to bring the Constitution in line with Companies Act 2016 and Bursa Securities Listing Requirements besides to enhance administrative efficiency. The proposed new Constitution is attached hereto and identified as Appendix I. The Appendix I on the Proposed alteration or amendment of the Constitution of the Company which is circulated together with the Notice of 24th AGM dated 29 April 2019, shall take effect once the Proposed Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the said AGM.