

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting ("27th AGM") of Kia Lim Berhad will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Tuesday, 24 May 2022 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 2021 together with the Directors' and Auditors' Report thereon. Refer to Note (a)
2. To approve the payment of Directors' fees amounting to RM35,000 per annum for the Non-Executive Chairman, RM20,000 per annum for each of the Non-Executive Directors (NEDs), and RM17,400 per annum for each of the Executive Directors (EDs) in respect of the financial year ending 31 December 2022. RESOLUTION 1
Refer to Note (b)
3. To approve the proposed payment of Non-Executive Directors' (NEDs) benefits of up to RM28,800 for the financial year ending 31 December 2022 and up to the date of the next Annual General Meeting of the Company. RESOLUTION 2
Refer to Note (b)
4. To re-elect Mr Ng Chin Kang who retire in accordance with Article 90 of the Company's Constitution and being eligible, offers himself for re-election. RESOLUTION 3
Refer to Note (c)
5. To re-elect the following Directors who retire in accordance with Article 97 of the Company's Constitution and being eligible, offer themselves for re-election:-
(a) Pn Haryanti Binti Othman RESOLUTION 4
Refer to Note (c)
(b) Ms Sam Ming Chia RESOLUTION 5
Refer to Note (c)
6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration. RESOLUTION 6
Refer to Note (d)

SPECIAL BUSINESS

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

7. **ORDINARY RESOLUTION 1**
CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR RESOLUTION 7
"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." Refer to Note (e)
8. **ORDINARY RESOLUTION 2**
CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR RESOLUTION 8
"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." Refer to Note (e)
9. 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 Constitution.

BY ORDER OF THE BOARD

LEONG SIEW FOONG
(MAICSA No.: 7007572)
(CCM PC No.: 202008001117)
Company Secretary

Johor Bahru
27 April 2022

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 (1) 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.

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 27th AGM of the Company and 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 27th AGM on the Directors' remuneration tabled in Resolution 1 and 2.

Directors' fees

The Board decided that the Directors' fees for financial year ("FY") ending 31 December 2022 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 20 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:

	2021 Amount (RM)	2022 Proposed Amount (RM)
Remuneration for Directors of the Company		
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
Fee for each Executive Director of subsidiary company [^]	1,200	1,200
Meeting Allowance per meeting*	800	800

[^] Only for Executive Directors.

* 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 2022, based on the proposed benefits, if the proposed Resolution 2 is passed at the 27th AGM.

- (c) Re-election of Directors who retire in accordance with Articles 90 and 97 of the Company's Constitution.

Article 90 of the Company's Constitution 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.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 27th 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 2021 ("MCCG 2021"), 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 2021.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Articles 90 and 97 of the Company's Constitution 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 PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Ernst & Young PLT, have indicated their willingness to continue their service until the conclusion of next AGM. The re-appointment of Messrs Ernst & Young PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 6, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

- (e) Continuation of terms of office as Independent Directors

The Company has complied with the minimum requirement of independent directors, i.e. one-third (1/3) of its board composition consists of independent directors. In the event of any vacancy in the board of directors, resulting in non-compliance of minimum independent director requirement, such vacancy must be filled within three (3) months.

Mr Loh Chee Kan and Mr Chua Syer Cin are Independent Directors of the Company who have served the Company for more than nine (9) years.

In line with the MCCG 2021, the NC has assessed their independence as defined in Bursa Securities Listing Requirements which have not been compromised all the 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 the while which is valuable to the Company. Hence, the Board recommended Mr Loh Chee Kan and Mr Chua Syer Cin to continue their office as Independent Directors according to the Resolutions 7 and 8 put forth at the 27th AGM.

Mr Loh Chee Kan and Mr Chua Syer Cin shall be subjected to two-tier voting in accordance with the MCCG 2021 as they have served the Company for more than twelve (12) years.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING ("27th AGM")

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There are no individuals who are standing for election as Directors at the forthcoming 27th AGM of the Company other than the Directors standing for re-election.

The profiles of the Directors are stated on pages 7 and 8 of the Annual Report 2021.