



KELINGTON GROUP BERHAD

(Company No. 501386-P)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting ("AGM") of Kelington Group Berhad (KGB" or "Company") will be held at **Function Room 2, Mezzanine Floor, Setia City Convention Centre, No.1, Jalan Setia Dagang AG U13/AG, Setia Alam, Section U13, 40170 Shah Alam, Selangor** on Wednesday, 26 June 2013 at 10.00 a.m., for the purpose of considering the following businesses:-

AGENDA

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon.
(Refer to Explanatory Note (a))
- To re-elect the following Directors who are retiring in accordance with the Article 69 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:
 - Mr Gan Hung Keng (Ordinary Resolution 1)
 - Mr Tan Chuan Yong (Ordinary Resolution 2)
- To elect the following Directors who are retiring in accordance with the Article 74 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:
 - Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman (Ordinary Resolution 3)
 - Mr Soo Yuit Weng (Ordinary Resolution 4)
- To approve the payment of Directors' fees of RM140,400.00 for the financial year ended 31 December 2012. (Ordinary Resolution 5)
- To approve the payment of a final tax-exempt dividend of 2 sen per ordinary share of RM0.10 each for the financial year ended 31 December 2012. (Ordinary Resolution 6)
- To re-appoint Messrs Crowe Horwath as Auditors of the Company until the conclusion of the next AGM and authorise the Directors to fix their remuneration. (Ordinary Resolution 7)

Special Business

To consider and if thought fit, pass the following resolutions with or without any modifications:

- Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 ("the Act")**

"THAT subject to Section 132D of the Act, and approvals of the relevant governmental / regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time to such persons 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 ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 8)

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject to Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") with the related party(ies) as set out in Section 3.1 of the Circular to Shareholders of the Company dated 4 June 2013 ("the Circular") provided that such transactions are:-

- Necessary for the day-to-day operations;
 - The transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
 - Not prejudicial to the minority shareholders of the Company.
- ("Shareholders' Mandate")

THAT such approval shall continue to be in force and effect until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM, such authority is renewed;
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders' Mandate, with full power to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities." (Ordinary Resolution 9)

- Proposed Renewal of Authority for Purchase of Own Shares by the Company**

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association 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 of RM0.10 each 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:-

- the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- 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 share premium; and
- 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.

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:-

- 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
- the expiration of the period within which the next AGM after that date is required by law to be held; or
- 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 10)

- Proposed Granting of Options to Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman**

"THAT authority be and is hereby given to the Option Committee, appointed by the Board of Directors of the Company to specifically administer Employees' Share Option Scheme ("ESOS"), at any time, and from time to time, to offer and grant to Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman, being an Independent Non-Executive Director of the Company, options to subscribe for such number of new ordinary shares of RM0.10 each in the Company ("KGB shares") under the ESOS, and to allot and issue such number of new KGB Shares to him upon exercise of the options subject always to:-

- the aggregate allocation to the Directors and senior management of the Group must not exceed 50% of the total number of KGB shares to be issued under the ESOS;
- the allocation to a Director or Eligible Employee who, either singly or collectively through person connected with the Director or Eligible Employee, holds 20% or more of the issued and paid-up capital of the Company, must not exceed 10% of the total number of KGB Shares to be issued under the ESOS; and
- the aggregate number of options exercised and options offered and to be offered under the ESOS shall not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS.

Such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS." (Ordinary Resolution 11)

- Proposed Granting of Options to Mr Soo Yuit Weng**

"THAT authority be and is hereby given to the Option Committee, appointed by the Board of Directors of the Company to specifically administer Employees' Share Option Scheme ("ESOS"), at any time, and from time to time, to offer and grant to Mr Soo Yuit Weng, being an Independent Non-Executive Director of the Company, options to subscribe for such number of new ordinary shares of RM0.10 each in the Company ("KGB shares") under the ESOS, and to allot and issue such number of new KGB Shares to him upon exercise of the options subject always to:-

- the aggregate allocation to the Directors and senior management of the Group must not exceed 50% of the total number of KGB shares to be issued under the ESOS;
- the allocation to a Director or Eligible Employee who, either singly or collectively through person connected with the Director or Eligible Employee, holds 20% or more of the issued and paid-up capital of the Company, must not exceed 10% of the total number of KGB Shares to be issued under the ESOS; and
- the aggregate number of options exercised and options offered and to be offered under the ESOS shall not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS.

Such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS." (Ordinary Resolution 12)

- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at Thirteenth AGM, a final tax-exempt dividend of 2 sen per ordinary share of RM0.10 each for the financial year ended 31 December 2012, if approved, will be paid on 12 August 2013 to holders of ordinary shares registered in the Record of Depositors of the Company at the close of business on 15 July 2013.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 15 July 2013 in respect of transfers; and
- Securities bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TEO MEE HUI (MAICSA 7050642)
PANG CHIA TYNG (MAICSA 7034545)
Company Secretaries

Kuala Lumpur
Dated this 4 June 2013

Notes:

- A member may appoint up to two (2) proxies to attend and vote at the meeting. If a member appoints more than one (1) proxy, the appointments shall be invalid unless he / she specifies the proportions of his / her holding to be represented by each proxy. A proxy may but need not be a member of the Company. If the proxy is not a member, the proxy need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. There shall be no restriction as to the qualification of the proxy.
- The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least 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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 50(4) of the Articles of Association of the Company, a Record of Depositors as at 20 June 2013 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory notes on Ordinary and Special Business

- Item 1 of the Agenda
Audited Financial Statements for the financial year ended 31 December 2012.
The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders and hence this item is not put forward for voting.
- Ordinary Resolution 8
Authority to Issue Shares pursuant to Section 132D of the Act
The proposed Ordinary Resolution 8 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Act, to issue new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in General Meeting, will expire at the conclusion of the next AGM of the Company.
The renewal of the 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 as to avoid incurring additional cost and time. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purposes of funding future investment project(s), working capital and/or acquisitions(s).
The previous mandate was not utilised and accordingly no proceeds were raised.
- Ordinary Resolution 9
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
The proposed Ordinary Resolution 9, if passed, will allow the Group enter into recurrent related party transactions made on an arm's length basis on normal commercial terms and which are not prejudicial to the interest of the minority shareholders. For more information, please refer to the Circular to Shareholders dated 4 June 2013.
- Ordinary Resolution 10
Proposed Renewal of Authority for Purchase of Own Shares by the Company
The proposed Ordinary Resolution 10, if approved, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company through Bursa Malaysia Securities Berhad. For more information, please refer to the Share Buy-Back Statement dated 4 June 2013.
- Ordinary Resolution 11
Proposed Granting of Options to Vice Admiral (Retired) Datuk Haji Jamil bin Haji Osman
The proposed Ordinary Resolution 11, if passed, will allow the aforesaid Director to participate in the Company's Employees' Share Option Scheme in accordance with the provisions of the By-Laws of the Scheme.
- Ordinary Resolution 12
Proposed Granting of Options to Mr Soo Yuit Weng
The proposed Ordinary Resolution 12, if passed, will allow the aforesaid Director to participate in the Company's Employees' Share Option Scheme in accordance with the provisions of the By-Laws of the Scheme.