



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of KESM Industries Berhad (“**KESMI**” or the “**Company**”) will be held at Spectrum and Prism, Level 3A, Connexion@Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Malaysia on Thursday, 15 January 2015 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 43rd Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:-

ORDINARY RESOLUTION 1 – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**THAT** approval be and is hereby given, for the purposes of Chapter 10, Paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“**Listing Requirements**”), for the Company and/or its subsidiaries to enter into transactions falling within the types of recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group (“**RRPTs**”), as set out in section 4.1 and section 4.2(a) of the circular to shareholders of the Company dated 29 October 2014 (“**Circular**”), with any party who is described as a related party in the Circular, provided that such transactions are carried out in the normal course of business, on arm’s length basis, at transaction prices and terms which are not more favourable to the related parties involved than those generally available to the public and which will not be to the detriment of the minority shareholders of the Company in accordance with the guidelines and procedures of the Company for the RRPTs as specified in section 4.4 of the Circular;

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next annual general meeting after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“**Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND THAT proper disclosures of the various RRPTs and the aggregate value of such transactions shall be disclosed in the Annual Report of the Company,

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things as may be required by the relevant authorities (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 1.”

ORDINARY RESOLUTION 2 – PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

“THAT approval be and is hereby given, for the purposes of Chapter 10, Paragraph 10.09 of the Listing Requirements, for the Company and/or its subsidiaries to enter into transactions falling within the types of RRPTs, as set out in section 4.1 and section 4.2(b) of the Circular, with any party who is described as a related party in the Circular, provided that such transactions are carried out in the normal course of business, on arm's length basis, at transaction prices and terms which are not more favourable to the related parties involved than those generally available to the public and which will not be to the detriment of the minority shareholders of the Company in accordance with the guidelines and procedures of the Company for the RRPTs as specified in section 4.4 of the Circular;

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next annual general meeting after the date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is earlier,

AND THAT proper disclosures of the various RRPTs and the aggregate value of such transactions shall be disclosed in the Annual Report of the Company,

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things as may be required by the relevant authorities (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 2.”

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802)

Company Secretary
Petaling Jaya
29 October 2014

Notes:-

- 1. In respect of deposited securities, only members whose names appear in the General Meeting Record of Depositors on 9 January 2015 shall be eligible to attend the Extraordinary General Meeting.*
- 2. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Companies Act, 1965 shall not apply.*
- 3. When a member appoints two or more proxies the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
- 5. The instrument appointing a proxy must be deposited at the Registered Office at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, at least forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof.*