



KEY ALLIANCE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of KEY ALLIANCE GROUP BERHAD will be held at Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annex, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 03 June 2016 at 11.00 a. m. for the following purposes:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of Directors and Auditors thereon (Please refer to Note A).
- To approve the payment of Directors' fees for the financial year ended 31 December 2015. **(Ordinary Resolution 1)**
- To re-elect Mr Yee Yit Yang, the Director who retires in accordance with Article 81 of the Articles of Association of the Company. **(Ordinary Resolution 2)**
- To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:- **(Ordinary Resolution 3)**
"THAT Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid, retiring pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
- To approve the re-appointment of retiring Auditors, Messrs Kreston John & Gan as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

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

- Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 5)**
"THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and approval and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM0.05 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten (10) percent of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
- Proposed retention of Independent Director** **(Ordinary Resolution 6)**
"THAT subject to the passing of Ordinary Resolution 3, approval be and is hereby given to Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."
- Proposed retention of Independent Director** **(Ordinary Resolution 7)**
"THAT approval be and is hereby given to Encik Kamarudin Bin Ngah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."
- To transact any other ordinary business of which due notice shall have been given.

By order of the Board

PANG KAH MAN (MIA 18831)

Company Secretary

Kuala Lumpur

29 April 2016

Notes:

- This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.
- Only members registered in the Record of Depositors as at 26 May 2016 shall be eligible to attend the Thirteenth Annual General Meeting or appoint a proxy to attend and vote on his behalf.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on a show of hands or on a poll in his stead. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member of the Company is an Exempt Authorised Nominee 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 Account it holds.
- To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting provided that in the event the member(s) duly executes the proxy form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy, other than the particulars of the proxy have been duly completed by the member(s).
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are not complied with.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

Explanatory Notes on Special Business:

8. Ordinary Resolution no. 5

Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

- The proposed Ordinary Resolution no. 5, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding ten percent (10%) of the issued capital of the Company for the time being for such purposes as they may deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.
- The mandate now sought is a renewal from the previous mandate obtained at the last Annual General Meeting held on 18 June 2015 which will expire at the conclusion of the forthcoming Annual General Meeting.
- As at the date of this Notice, the Company had issued and listed a total of 58,080,000 ordinary shares of RM0.05 each representing 10% of the issued and paid-up share capital of the Company on Bursa Securities via private placement exercise implemented on 18 January 2016, pursuant to the previous mandate granted to the Directors since the date of last Annual General Meeting held on 18 June 2015.
- The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

9. Ordinary Resolutions no. 6 and 7

Proposed retention of Independent Directors

The Directors of the Company have assessed the independence of the Directors, Gen (R) Tan Sri Abdul Rahman Bin Abdul Hamid and Encik Kamarudin Bin Ngah who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- They fulfilled the criteria under the definition of an Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), and thus, they would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.
- During their tenure in office, they have not developed, established or maintained any significant relationship which would impair their independence as Independent Directors with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors and Chairman or member of the Board Committees;
- During their tenure in office, they have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Guidance Note 9 of Listing Requirements;
- They are currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiaries; and
- Other than the Director's fees and allowances paid in accordance with the industry norm and within the acceptable market rates which have been duly disclosed in the Annual Report, there are no other incentives or benefits of whatsoever nature that had been paid to them by the Company during their tenure in office as Independent Non- Executive Directors in the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking for election as a Director at the Thirteenth Annual General Meeting of the Company.