



**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Key Alliance Group Berhad ("KAG" or the "Company") will be held at Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 18 July 2016 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

**ORDINARY RESOLUTION 1**

**PROPOSED DIVERSIFICATION OF THE BUSINESS OF KAG AND ITS SUBSIDIARIES INTO THE BUSINESS OF CONSTRUCTION, PROPERTY DEVELOPMENT AND PROPERTY INVESTMENT ("PROPOSED DIVERSIFICATION")**

"THAT subject to the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given to the board of directors of the Company ("Board") to implement the diversification of the business of KAG and its subsidiaries into the business of construction, property development and property investment;

**AND THAT** the Board be and is hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to give full effect to the Proposed Diversification with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company."

**ORDINARY RESOLUTION 2**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,251,171,308 NEW ORDINARY SHARES OF RM0.05 EACH IN KAG ("KAG SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 625,585,654 FREE DETACHABLE WARRANTS IN KAG ("WARRANTS B") ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT B FOR EVERY TWO (2) EXISTING KAG SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KAG ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

"THAT subject to the passing of the Ordinary Resolution 3 and Special Resolution 1 below and the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to undertake the Proposed Rights Issue with Warrants as follows:-

- (i) to provisionally issue and allot by way of renounceable rights issue of up to 1,251,171,308 Rights Shares together with up to 625,585,654 Warrants B to the shareholders of the Company ("Shareholders") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board ("Entitlement Date") ("Entitled Shareholders"), and/or their renounee(s), on the basis of two (2) Rights Shares for every two (2) KAG Shares held and one (1) free Warrant B for every two (2) Rights Shares subscribed for on the Entitlement Date at an issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- (ii) to enter into and execute the deed poll constituting the Warrants B ("Deed Poll B") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll B wherein each of the Warrants B will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll B to be executed, at any time during the "Exercise Period" as defined in the Deed Poll B, for one (1) new Share at an exercise price to be determined by the Board at a later date and that the Common Seal of the Company be affixed to the Deed Poll B in accordance with the provisions of the Articles of Association of the Company;
- (iii) to issue and allot in registered form to the Entitled Shareholders (and/or their renounee(s), as the case may be) who subscribe for and are allotted the Rights Shares, each Warrant B conferring the right to subscribe for one (1) new KAG Share at an exercise price to be determined by the Board on such Entitlement Date, subject to the provisions for adjustment to the subscription rights attached to the Warrants B in accordance with the provisions of the Deed Poll B;
- (iv) to issue and allot such number of additional Warrants B as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll B ("Additional Warrants B") and to adjust from time to time the exercise price of the Warrants B as a consequence of the adjustments under the provisions of the Deed Poll B and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities or parties (if required); and
- (v) to issue and allot such number of new Shares credited as fully paid-up to the holders of the Warrants B upon their exercise of the relevant Warrants B to subscribe for new Shares during the tenure of the Warrants B, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants B and such adjustments in accordance with the provisions of the Deed Poll B;

**THAT** any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in such manner and to such persons ("Excess Applicants") as the Board shall determine at its absolute discretion;

**THAT** the Rights Shares, Warrants B and new Shares to be issued pursuant to the exercise of the Warrants B and Additional Warrants B (if any) shall be listed on the ACE Market of Bursa Securities;

**THAT** the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 6 of the Circular to Shareholders dated 24 June 2016 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

**THAT** the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank *pari passu* in all respects with the then existing issued and paid-up KAG Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

**THAT** the new KAG Shares to be issued pursuant to the exercise of the Warrants B (or the Additional Warrants B, as the case may be) shall, upon allotment, issuance and full payment of the exercise price of the Warrants B (or the Additional Warrants B, as the case may be), rank *pari passu* in all respects with the then existing issued and paid-up KAG Shares, save and except that the holders of such new KAG Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such new KAG Shares to be issued pursuant to the exercise of the Warrants B (or the Additional Warrants B, as the case may be);

**THAT** the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Warrants B arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

**AND THAT** this resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants B, Additional Warrants B (if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

**ORDINARY RESOLUTION 3**

**PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM100,000,000 COMPRISING 2,000,000,000 KAG SHARES TO RM300,000,000 COMPRISING 6,000,000,000 KAG SHARES**

"THAT subject to the passing of Ordinary Resolution 2 above, Special Resolution 1 below and the necessary approvals being obtained from the relevant authorities and parties (if required), the authorised share capital of the Company be and is hereby increased from RM100,000,000 comprising 2,000,000,000 KAG Shares to RM300,000,000 comprising 6,000,000,000 KAG Shares ("Proposed Increase in Authorised Share Capital");

**AND THAT** the Board be and is hereby empowered and authorised to do all such acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Increase in Authorised Share Capital."

**SPECIAL RESOLUTION 1**

**PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

"THAT subject to the passing of Ordinary Resolutions 2 and 3 above as well as the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to alter, modify, vary and delete the Memorandum of Association of KAG in the following manner ("Proposed Amendment"):-

Memorandum of Association	Existing provision	Amended provision
Clause 5	The capital of the Company is RM100,000,000 Malaysian Currency divided into 2,000,000,000 ordinary shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is RM300,000,000 Malaysian Currency divided into 6,000,000,000 ordinary shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed Amendment and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment."

**BY ORDER OF THE BOARD**

**PANG KAH MAN (MIA 18831)**  
Company Secretary

Kuala Lumpur  
24 June 2016

**Notes:-**

1. Only members registered in the Record of Depositors as at 11 July 2016 shall be eligible to attend the Meeting or appoint a proxy to attend and vote on his behalf.
2. 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.
3. 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.
4. To be valid, the form of proxy duly completed must be deposited at the registered office of the Company situated 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 form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his / their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy have been duly completed by the member(s).
5. 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 complied with.
6. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
7. If the appointer is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.