



KELINGTON GROUP BERHAD

(501386-P)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting ("17th AGM") of Kelington Group Berhad ("KGB" or "Company") will be held at Green 2 (Club House) Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 13 June 2017 at 10.00 a.m., for the purpose of considering the following businesses:-

A G E N D A

Ordinary Business

- To lay before the Meeting the Audited Financial Statements for the financial year ended 31 December 2016 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 Paragraph 69 of the Company's Constitution, and being eligible, have offered themselves for re-election:
 - Mr Ong Weng Leong **(Ordinary Resolution 1)**
 - Mr Chan Thian Kiat **(Ordinary Resolution 2)**
- To approve the payment of Directors' fees of RM156,400.00 for the financial year ended 31 December 2016. **(Ordinary Resolution 3)**
- To approve the payment of Directors' remuneration payable to the Non-Executive Directors of the Company amounting to RM252,600 for the period from 1 January 2017 until the next Annual General Meeting. **(Ordinary Resolution 4)**
- To approve the payment of a final tax-exempt dividend of 1 sen per ordinary share for the financial year ended 31 December 2016. **(Ordinary Resolution 5)**
- 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 6)**

Special Business

- To consider and if thought fit, pass the following resolutions with or without any modifications: **(Ordinary Resolution 7)**

7. Authority to Issue and Allot Shares

"THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act, 2016 to issue and allot not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act, 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **(Ordinary Resolution 8)**

"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 28 April 2017 ("the Circular") provided 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 340(2) of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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."

- Proposed Renewal of Authority for Purchase of Own Shares by the Company** **(Ordinary Resolution 9)**

"THAT subject to the Companies Act, 2016 (the "Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution 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 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
- 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 or transfer the shares under employee share scheme or as purchase consideration or otherwise use the shares for such other purposes as the Minister may order prescribe.

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."

- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at Seventeenth Annual General Meeting, a final tax-exempt dividend of 1 sen per ordinary share for the financial year ended 31 December 2016, if approved, will be paid on 2 August 2017 to holders of ordinary shares registered in the Record of Depositors of the Company at the close of business on 6 July 2017.

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 6 July 2017 in respect of transfers; and
- Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

LIM LEE KUAN (MAICSA 7017753)

TEO MEE HUI (MAICSA 7050642)

Company Secretaries

Kuala Lumpur

Dated this 28th day of April 2017

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 ("Omniebus 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. In an exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 234(1) of the SICDA.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara HP 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 Paragraph 50(1) of the Constitution of the Company, a Record of Depositors as at 6 June 2017 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 2016.
The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248 and Section 340 (1)(a) of the Companies Act, 2016 ("the Act") does not require a formal approval of the shareholders and hence this item is not put forward for voting.
- Ordinary Resolutions 3 and 4**
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 the 17th AGM on the Directors' remuneration in two (2) separate resolutions as below:-
- Resolution 3 on payment of Directors' fees in respect of the preceding year 2016; and
- Resolution 4 on payment of Directors' remuneration for the period from 1 January 2017 until the next AGM ("Relevant Period").
The payment of the Directors' Fees in respect of the financial year ended 31 December 2016 will only be made if the proposed Resolution 3 has been passed at the 17th AGM pursuant to Paragraph 76 of the Company's Constitution and Section 230(1) of the Companies Act, 2016.
The Directors' remuneration comprises the Directors' fee and meeting allowances payable to the Board of the Company is set out as follows:

| | Executive Directors (RM) | Non-Executive Directors (RM) |
|-------------------|--------------------------|------------------------------|
| Director Fee | - | 234,600 |
| Meeting allowance | - | 18,000 |
| Total | - | 252,600 |

In determining the estimated total amount of the Directors' remuneration, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as involvement of the respective Directors.

Payment of Directors' remuneration will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolution 4 has been passed at the 17th AGM. The Board is of the view that it is just and equitable for the Directors to be paid such payment on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the period as stated herein.

- Ordinary Resolution 7**

Authority to Issue and Allot Shares
The proposed resolution, if passed, will give flexibility to the Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of next Annual General Meeting of the Company.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

- Ordinary Resolution 8**

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will allow the Group enter into RRPT 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 28 April 2017.

- Ordinary Resolution 9**

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

The proposed Ordinary Resolution 9, if approved, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad. For more information, please refer to the Share Buy-Back Statement dated 28 April 2017.