

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Key ASIC Berhad will be held at Greens 1, Golf Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 27 February 2018 at 11.30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:-

ORDINARY RESOLUTION I

PROPOSED PRIVATE PLACEMENT OF UP TO 222,743,750 NEW ORDINARY SHARES IN KEY ASIC BERHAD ("PLACEMENT SHARES"), REPRESENTING APPROXIMATELY TWENTY FIVE PERCENT (25%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE KEY ASIC BERHAD ("KEY ASIC") ("PROPOSED PRIVATE PLACEMENT")

"THAT, subject to all approvals being obtained from all relevant authorities, approval be and is hereby given to the board of directors of the Company ("Board") to allot and issue up to 222,743,750 Placement Shares at an issue price to be determined based on the five (5)-day volume weighted average market price of Key ASIC Shares immediately preceding the date on which the price of the Placement Shares will be fixed with a discount of not more than ten percent (10%) to such persons and at such time as the Board deem fit, for such purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 12 February 2018 ("Circular").

THAT the Placement Shares to be issued pursuant to the Proposed Private Placement shall upon allotment and issuance, rank pari passu in all respects with the then existing Key ASIC Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which are declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement."

ORDINARY RESOLUTION II

PROPOSED PLACEMENT TO KEY ASIC LIMITED ("KAL") ("PROPOSED PLACEMENT TO KAL")

"THAT, subject to the passing of Ordinary Resolution I and approval from the relevant authorities and/or parties (if required) being obtained, approval be and is hereby given for the Company to place, and pursuant thereto for the Board to allot and issue, up to 165,000,000 Placement Shares to KAL, subject to the following and on the terms of the Proposed Private Placement at an issue price to be determined at a later day:-

- (i) the approval of non-interested shareholders of the Company on this ordinary resolution; and
- (ii) the approval of Bursa Malaysia Securities Berhad on the extension of time for the implementation of the Proposed Private Placement in the event the implementation period of the Proposed Private Placement has lapsed; and
- (iii) KAL not triggering any mandatory general offer obligation pursuant to the Rules on Takeovers, Mergers and Compulsory Acquisitions as issued by the Securities Commission Malaysia.

AND THAT approval be and is hereby given for the Board to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect to and complete the Proposed Placement to KAL and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to and complete the Proposed Placement to KAL."

ORDINARY RESOLUTION III

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF TRADING NATURE

THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 1.4 of Part B of the Circular to Shareholders dated 12 February 2018 ("Related Party") provided that such transactions and/or arrangements are:-

- (i) necessary for the day-to-day operations;
- (ii) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (iii) are not detrimental to the minority shareholders of the Company.

(collectively known as "Shareholders' Mandate")

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

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (ii) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 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
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed, in accordance with the MMLR, in the Circular of the Company for the said financial year;

AND THAT the Board be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

ORDINARY RESOLUTION IV

PROPOSED ADDITIONAL DIRECTORS' FEES

THAT in addition to the Directors' Fees of RM144,000 for the financial year ending 31 May 2018 which was approved by the shareholders at the Twelfth Annual General Meeting, the payment of additional Directors' Fees of up to RM36,000 for the financial year ending 31 May 2018 be approved.

By Order of the Board

**WONG WAI FOONG [MAICSA 7001358]
JOANNE TOH JOO ANN [LS 0008574]**

Company Secretaries

Kuala Lumpur

Dated: 12 February 2018

NOTES:-

- (i) A proxy may but need not be a member of the Company.
- (ii) A member may appoint up to two (2) proxies to attend on the same occasion.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.
- (iv) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
- (v) A member who appoints more than one proxy shall specify the proportion of his shareholdings to be represented by each proxy.
- (vi) If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney duly authorised.
- (vii) The Form of Proxy must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (viii) Only members whose names appear in the Record of Depositors as at 20 February 2018 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.
- (ix) The Company had at its Twelfth Annual General Meeting held on 15 November 2017 obtained the shareholders' approval for the payment of Directors' Fees amounting to RM144,000 for the financial year ending 31 May 2018. The Board had on 24 November 2017, approved the appointment of Prof Low Teck Seng as an Independent Non-Executive Director of the Company. Further to the appointment of a new Board member, the Board hereby recommended that the shareholders approve the payment of the additional Directors' Fees proposed under Ordinary Resolution IV.