



NOTICE IS HEREBY GIVEN THAT the Forty-Third Annual General Meeting ("AGM") of KKB Engineering Berhad ("KKB" or "the Company") will be held at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Wednesday, 22 May 2019 at 10:00 a.m. to transact the following businesses, with or without modifications:

AGENDA

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| a. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. | (Please refer to Note A(1)) |
| b. To approve the payment of a First and Final Single Tier Dividend of four (4) sen per ordinary share in respect of the financial year ended 31 December 2018 as recommended by the Directors. | Resolution 1 |
| c. To approve the following payments to Directors:
i) Directors' fees amounting to RM318,000 for the financial year ending 31 December 2019 (FYE 2018: RM530,000); and
ii) Meeting allowances up to RM64,000 for the financial year ending 31 December 2019 (FYE 2018: RM74,000). | Resolution 2
Resolution 3 |
| d. To re-elect the following Directors who retire pursuant to Article 82 of the Company's Articles of Association:
i) Dato Kho Kak Beng
ii) Datuk Syed Ahmad Alwee Alsee
iii) Datin Mary Sa'diah Binti Zainuddin | Resolution 4
Resolution 5
Resolution 6 |
| e. To re-appoint Messrs Ernst & Young as auditors of the Company until the conclusion of the next annual general meeting and to authorize the Board of Directors to fix their remuneration. | Resolution 7 |

As Special Businesses

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| f. To consider and, if thought fit, to pass the following resolution pursuant to Principle A Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG") 2017 to retain the following Director:

Continuing in office as Independent Non-Executive Director | Resolution 8 |
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"THAT, approval be and is hereby given to Dr Arjunan Subramaniam, who has served as an Independent Non-Executive Director of the Company for more than twelve (12) years, to continue in office as an Independent Non-Executive Director of the Company."

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| g. To consider and, if thought fit, to pass the following resolution as ordinary resolution:

Ordinary Resolution
• Proposed renewal of Shareholder Mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholder Mandate") | Resolution 9 |
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"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the Company and its subsidiaries' day-to-day operations as outlined in Section 3.2 to Section 3.4 of Part A of the Circular to Shareholders dated 18 April 2019 ("Circular"), with the specific related parties mentioned therein subject further to the followings:

- i) 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 detrimental to the interest of the minority shareholders; and
- ii) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Proposed Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:
 - the type of the recurrent related party transactions made; and
 - the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

- i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
- ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- iii) revoked or varied by resolution passed by the shareholders in general meeting; whichever is the earlier;

AND THAT the Board of Directors of the Company ("the Board") be and is hereby authorized to sign, execute and deliver on behalf of the Company all necessary documents, and do all such acts and things as may be required or relevant for or in connection with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be imposed or permitted by the relevant authorities;

AND THAT the estimated value given on the recurrent related party transactions specified in Section 3.4 of Part A of the Circular being provisional in nature, the Board be and is hereby authorized to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures as set out in Section 3.6 of Part A of the Circular."

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| h. To consider and, if thought fit, to pass the following resolution as special resolution:

Special Resolution
• Proposed adoption of new Constitution of the Company | Resolution 10 |
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"THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part B of the Circular to Shareholders dated 18 April 2019 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Board be and is hereby authorized to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

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| i. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Company's Articles of Association. | |
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NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final Single Tier Dividend of four (4) sen per ordinary share in respect of the financial year ended 31 December 2018, if approved at the Forty-Third AGM, will be paid on 24 June 2019 to depositors whose names appear in the Record of Depositors on 11 June 2019.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred to the depositor's securities account before 4.00 p.m. on 11 June 2019 in respect of transfer; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD OF DIRECTORS

VOON JAN MOI (MAICSA 7021367)

Company Secretary

Kuching, Sarawak

Dated: 18 April 2019

A. Explanatory Notes on Ordinary Business

1) This agenda item is meant for discussion only and hence it will not be put forward for voting.

B. Explanatory Notes on Special Businesses

Pursuant to Paragraph 8.27(3) of the Main Market Listing Requirements, appended hereunder are the explanatory notes on the proposed resolutions 8, 9 and 10.

1) Proposed Resolution 8

• Continuing in office as Independent Non-Executive Director

The proposed resolution 8 is to comply with Principle A: II Board Composition; Practice 4.2 of the MCCG 2017 to seek shareholders' approval through a two-tier voting process to retain Dr Arjunan Subramaniam as an Independent Non-Executive Director who has served beyond twelfth (12) years. The Nomination Committee and the Board have recommended that he be retained based on the following justifications:

- (i) He has met the criteria as Independent Director pursuant to Main Market Listing Requirements.
- (ii) Dr Arjunan Subramaniam is a Senior Independent Director with high intellect, honesty and genuine commitment to serve in the best interest of the Company.
- (iii) Dr Arjunan does not hold any directorship in other listed issuers to render him to contribute less productively in the Company.
- (iv) Although having served for a consecutive term of more than twelve (12) years, Dr Arjunan is subject to yearly assessment and review by the Board through a transparent criteria evaluation.
- (v) Dr Arjunan's valuable advice on legal matters and wide knowledge particularly his specialized knowledge in Tax matters will continue to add credence to the Company and will not have any adverse effect on his independency as Independent Non-Executive Director.
- (vi) His long tenure as an Independent Non-Executive Director has no conflict of interest or undue influence from interested parties.
- (vii) He attended all scheduled Board meetings without fail during the year under review.
- (viii) He is able to challenge ideas and provide perspective to Management.
- (ix) Without retaining Dr Arjunan, the Company will stand to lose a very professional Board member of his caliber.
- (x) In addition, Dr Arjunan also makes a declaration twice a year that he is independent of management and free from any business or relationship that could interfere with the independent judgment of the Company.
- (xi) In accordance to the MCCG 2017, the Company is not classified as a Large Company.

2) Proposed Resolution 9

• Proposed renewal of Shareholder Mandate for recurrent related party transactions of a revenue or trading nature

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a listed issuer may seek a shareholder mandate.

The proposed resolution 9, if passed, will authorize the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in Section 3.3 of Part A of the Circular, which are necessary for KKB Group's day-to-day operations, provided that such 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 detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of KKB Group or adversely affecting the business opportunities available to KKB Group.

3) Proposed Resolution 10

• Proposed adoption of new Constitution of the Company

The proposed resolution 10 is primarily for the purpose of streamlining the Company's existing Memorandum and Articles of Association ("M&A") to be in line with the Act which came into force on 31 January 2017, the Malaysian Code on Corporate Governance 2017, the Main Market Listing Requirements and the prevailing statutory and regulatory requirements applicable to the Company. Further information on the proposed adoption of new Constitution is set out in Part B of the Circular which is dispatched together with the Company's 2018 Annual Report.

Notes:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, speak and vote at the AGM of the Company shall have the same rights as the member to speak at the AGM.
2. A member of the Company entitled to attend, speak and vote at this AGM shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. If the appointor is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized.
4. Where a member of the Company is an exempt authorized nominee 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 authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 865, Section 66, Jalan Kilang, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.
6. A depositor whose name appears in the Record of Depositors as at 15 May 2019 shall be entitled to attend the AGM and to speak and vote thereat.