



KESM INDUSTRIES BERHAD

(Company No. 13022-A)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 48th Annual General Meeting of the Company will be held at Connexion Conference & Event Centre, Spectrum and Prism (Level 3A), Nexus, Bangsar South, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 8 January 2020 at 10:00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS

- To receive the audited financial statements for the financial year ended 31 July 2019 together with the reports of the Directors and of the Auditors thereon. Resolution 1
- To declare a final tax exempt dividend of 6 sen per share in respect of the financial year ended 31 July 2019. Resolution 2
- To approve payment of Directors' fees and allowances of RM293,000 in respect of the financial year ended 31 July 2019. Resolution 2
(Please see Explanatory Note)
- To re-elect the following Directors who are retiring pursuant to Article 80 of the Company's Articles of Association and being eligible, have offered themselves for re-election: -
 - Samuel Lim Syn Soo Resolution 3
 - Lim Mee Ing Resolution 4
- To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

- Continuation in office as Independent Non-Executive Director Resolution 6
"THAT Mr Yong Chee Hou who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby allowed to continue in office as an Independent Non-Executive Director of the Company."

To consider and if thought fit, to pass the following resolution as Special Resolution:

- Proposed Adoption of new Constitution of the Company to replace the existing Memorandum and Articles of Association. Resolution 7
(Please see Explanatory Note)
"THAT the existing Memorandum and Articles of Association of the Company be replaced in its entirety with a new Constitution as set out in Appendix I attached to this notice."
- To transact any other business which may be properly transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Articles of Association.

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802)
SSM PRACTISING CERTIFICATE NO. 201908000717
Company Secretary

Petaling Jaya
25 October 2019

Notes: -

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy/proxies who may but need not be member/members of the Company to attend and vote in his/her stead.
- When a member appoints two or more proxies the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing proxy/proxies shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing proxy/proxies must be deposited at the Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, at least forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
- Depositors whose name appear in the Record of Depositors on 31 December 2019 shall be regarded as member of the Company entitled to attend the 48th Annual General Meeting or appoint proxy/proxies to attend and vote on his/her behalf.

Explanatory Note To Ordinary Business: -

Resolution 2

Payment of Directors' fees and allowances in respect of the financial year ended 31 July 2019 are as follows:

Description	Amount (RM)
Directors' fees	266,000
Allowances (Payable to Non-Executive Directors only)	27,000
Total	293,000

Explanatory Note To Special Business: -

Resolution 6

Mr Yong Chee Hou has served as Independent Non-Executive Director of the Company since 11 January 2002.

The Nominating Committee and the Board having assessed his independence, recommend that he continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- he has met the independence criteria as set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- his length of service on the Board has not affected his ability to exercise independent judgement while acting in the best interests of the Company.

Resolution 7

The proposed adoption of a new Constitution ("Proposed Adoption") is mainly to ensure the provisions in the Constitution are aligned to the latest Bursa Malaysia Securities Berhad Main Market Listing Requirements and the provisions of the Companies Act 2016 that came into effect on 31 January 2017.

In view of the substantial amount of amendments to the existing Memorandum and Articles of Association, the Board has proposed to replace it in its entirety with a new Constitution as set out in Appendix I.

Shareholders' approval is hereby sought for the Proposed Adoption in accordance with Section 36(1) of the Companies Act 2016, which shall take effect once the proposed Resolution 7 has been passed by a majority of not less than seventy-five percentum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 48th Annual General Meeting.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that the final tax exempt dividend of 6 sen per share in respect of the financial year ended 31 July 2019, if approved at the forthcoming Annual General Meeting, will be paid on 10 February 2020 to Depositors registered in the Record of Depositors on 15 January 2020. A Depositor shall qualify for entitlement only in respect of:

- shares transferred into the Depositor's securities accounts before 4.00 p.m. on 15 January 2020, in respect of ordinary transfers; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802)
SSM PRACTISING CERTIFICATE NO. 201908000717
Company Secretary

Petaling Jaya
25 October 2019