

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held entirely through live streaming from the broadcast venue at L1-95, KSL City, 33, Jalan Seladang, Taman Abad, 80250 Johor Bahru, Johor Darul Takzim on Thursday, 30 July 2020 at 11.00 a.m. for the following purposes:-

A G E N D A

<p>ORDINARY BUSINESS</p> <p>1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon.</p> <p>2. To approve the payment of the Non-Executive Directors' Fees of RM90,000 and Benefits of RM20,000 for the financial year ending 31 December 2019 until the next AGM of the Company.</p> <p>3. To re-elect the following Directors who are retiring in accordance with Article 93 of the Company's Constitution:</p> <p>(a) Mr. Gow Kow</p> <p>(b) Mr. Lee Chye Tee</p> <p>4. To re-appoint Messrs. ECOVIS MALAYSIA PTL, the retiring Auditors of the Company and to authorise the Board of Directors to fix their remuneration.</p> <p>SPECIAL BUSINESS</p> <p>To consider and, if thought fit, to pass the following Ordinary Resolutions:-</p> <p>5. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</p> <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of shares of the Company (excluding treasury shares) for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until:-</p> <p>(a) the conclusion of the Annual General Meeting held next after the approval was given; or</p> <p>(b) the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given,</p> <p>whichever occurs first."</p> <p>6. PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE OF ITS OWN SHARES BY THE COMPANY</p> <p>"THAT subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company of not exceeding 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through BMSB upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-</p> <p>(a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company for the time being quoted on BMSB;</p> <p>(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company as at 31 December 2019 of RM90,542,522 at the time of the purchase(s);</p> <p>THAT the Directors be and are hereby authorised:-</p> <p>(a) cancel all the shares so purchased;</p> <p>(b) retain all the shares so purchased as treasury shares;</p> <p>(c) retain part of the shares so purchased as treasury shares and cancel the remainder of the shares; or</p> <p>(d) deal with the treasury shares in the manners as allowed by the Act from time to time.</p> <p>AND THAT the Directors be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:-</p> <p>a) the conclusion of the next Annual General Meeting ("AGM") of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;</p> <p>b) the expiration of the period within which the next AGM is required by law to be held; or</p> <p>c) revoked or varied by ordinary resolution passed by the members of the Company in a general meeting,</p> <p>whichever occurs first.</p> <p>THAT the Directors be and are hereby authorised to sign and execute all documents, do all acts, deeds and things (including the maintaining of a Central Depositories Account(s) under the Securities Industry (Central Depositories) Act, 1991 as may be required to give effect to and to complete the aforesaid Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority."</p> <p>7. AUTHORITY FOR MR. GOW KOW TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>"THAT Mr. Gow Kow who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby authorised to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."</p> <p>8. AUTHORITY FOR MR. GOH TYAU SOON TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>"THAT Mr. Goh Tyau Soon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby authorised to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."</p> <p>9. AUTHORITY FOR MR. TEY PING CHENG TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>"THAT Mr. Tey Ping Cheng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby authorised to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."</p> <p>10. PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES OF THE COMPANY (KSL SHARES) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES SHAREHOLDERS OF THE COMPANY WITH AN OPTION TO REINVEST THEIR CASH DIVIDEND IN NEW KSL SHARES (DIVIDEND REINVESTMENT PLAN)</p> <p>"THAT pursuant to the Dividend Reinvestment Plan (DRP) as approved by the Shareholders at the Extraordinary General Meeting held on 28 November 2014, approval be and is hereby given to the Directors to allot and issue such number of new KSL Shares, from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new KSL Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) day volume weighted average market price (VWAMP) of KSL Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;</p> <p>AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the DRP, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including amendments, modifications, suspension and termination of the DRP as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities."</p> <p>11. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Constitution.</p>	<p>B. Appointment of Proxy</p> <p>(i) Members whose names appear in the Record of Depositors as at 23 July 2020 shall be eligible to attend, speak and vote at the 20th AGM.</p> <p>(ii) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints two (2) proxies, the member must specify the proportions of shareholdings to be represented by each proxy.</p> <p>(iii) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of an officer, or its attorney duly authorised in writing.</p> <p>(iv) 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 authorized nominee may appoint in respect of each omnibus account it holds.</p> <p>(v) Where a member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to attend and vote at the 20th AGM.</p> <p>(vi) The instrument appointing a proxy may be made in hardcopy form or by electronic means as follows and must be deposited not less than forty-eight (48) hours before the time for the Meeting:</p> <p><u>In Hardcopy</u> The instrument appointing a Proxy must be deposited at the registered office of the Company at Wisma KSL, 148, Batu 1 1/2, Jalan Buloh Kasap, 85000 Segamat, Johor Darul Takzim not less than forty-eight (48) hours before the time for the Meeting.</p> <p><u>Electronically</u> The Proxy form can be electronically submitted via Vote2U Online website at https://web.vote2u.app. Kindly refer to the Administrative Guide - Electronic Lodgment of Form of Proxy (e-Proxy).</p> <p>C. Explanatory notes</p> <p>Audited Financial Statements</p> <p>The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016 for discussion only under item 1 of the agenda. They do not require shareholders' approval and hence, will not be put for voting.</p> <p>Directors' Fees and Benefits (Resolution 1)</p> <p>The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to Non-Executive Directors. Benefits of RM20,000 are to reimburse Non-Executive Directors' travelling expenses to attend meetings of Company. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Resolution 1 is passed at the forthcoming Annual General Meeting.</p> <p>Section 230(1) of the CA 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 20th AGM on the Directors' remuneration in resolution as below:</p> <ul style="list-style-type: none"> Resolution 1 on payment of Non-Executive Directors' fees and benefits in respect of the current year 2020 and until the next AGM of the Company ("Relevant Period"). <p>The Board decided that the Non-Executive Directors' fees for financial year ("FY") ended 31 December 2019 be maintained as the previous FY subject to the performance of the Company and the current global economy. The remuneration policy for Non-Executive Directors fees is clarified in page 45 of the Corporate Governance Overview Statement.</p> <p>Re-election of Directors who retire in accordance with Article 93 of the Company's Constitution (Resolutions 2 and 3)</p> <p>Article 93 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3). With the current Board's size of seven (7), two (2) Directors are to retire in accordance with Article 93 of the Company's Constitution.</p> <p>For the purpose of determining the eligibility of the Directors to stand for re-election at the 20th AGM, the Nominating Committee ("NC") has considered the following:</p> <ol style="list-style-type: none"> The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company. <p>In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence bi-annually.</p> <p>The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 93 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.</p> <p>Appointment of Auditors (Resolution 4)</p> <p>Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. ECOVIS MALAYSIA PTL, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs. ECOVIS MALAYSIA PTL have indicated their willingness to continue their service until the conclusion of the 20th AGM. The re-appointment of Messrs. ECOVIS MALAYSIA PTL as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 4, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.</p> <p>Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Resolution 5)</p> <p>The proposed Resolution 5 above, if passed, will empower the Directors of the Company, from the date of the 20th AGM, with the authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.</p> <p>The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the 19th Annual General Meeting held on 30 May 2019. The renewal of general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. 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 and/or acquisitions which the Directors deem necessary and feasible.</p> <p>Up to date of this Notice, the Company has not issue any shares pursuant to the mandate granted to the Directors at the 19th Annual General Meeting as there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.</p> <p>Proposed Renewal of Authority for the purchase of its own shares by the Company (Resolution 6)</p> <p>The proposed Resolution 6 above is to renew the members' approval for the Company to purchase and/or bid up to 10% of the total number of issued shares of the Company on Bursa Malaysia Securities Berhad.</p> <p>Members are requested to refer to the Statement of Share Buy-Back laid out in pages 86 to 96 of this Annual Report.</p> <p>Authority to continue in office as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance (Resolutions 7, 8 and 9)</p> <ol style="list-style-type: none"> Mr. Gow Kow Mr. Gow Kow was appointed as an Independent Non-Executive Director of the Company on 19 November 2001 and has therefore served for more than twelve (12) years as at the forthcoming 20th AGM. However, he has met the independence criteria as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The Board based on the review and recommendation made by the Nominating Committee, therefore, considers him to be independent and recommends that he should continue to act as Independent Non-Executive Director. Further rationale for his retention as Independent Non-Executive Director can be found on Pages 43-44 of the Annual Report and Practice 4.4 and 4.6 of the Corporate Governance Report. Mr. Goh Tyau Soon Mr. Goh Tyau Soon was appointed as an Independent Non-Executive Director of the Company on 1 April 2002 and has therefore served for more than twelve (12) years as at the forthcoming 20th AGM. However, he has met the independence criteria as set out in Chapter 1 of the MMLR. The Board based on the review and recommendation made by the Nominating Committee, therefore, considers him to be independent and recommends that he should continue to act as Independent Non-Executive Director. Further rationale for his retention as Independent Non-Executive Director can be found on Pages 43-44 of the Annual Report and Practice 4.4 and 4.6 of the Corporate Governance Report. Mr. Tey Ping Cheng Mr. Tey Ping Cheng was appointed as an Independent Non-Executive Director of the Company on 15 April 2002 and has therefore served for more than twelve (12) years as at the forthcoming 20th AGM. However, he has met the independence criteria as set out in Chapter 1 of the MMLR. The Board based on the review and recommendation made by the Nominating Committee, therefore, considers him to be independent and recommends that he should continue to act as Independent Non-Executive Director. Further rationale for his retention as Independent Non-Executive Director can be found on Pages 43-44 of the Annual Report and Practice 4.4 and 4.6 of the Corporate Governance Report. <p>Proposed renewal of authority for Directors to allot and issue new ordinary shares of the Company (KSL Shares) in relation to the Dividend Reinvestment Plan that provides shareholder of the Company with an option to invest their cash dividend in new KSL SHARES (Dividend Reinvestment Plan) (Resolution 10)</p> <p>The proposed Ordinary Resolution 10, if passed, will give the authority to the Directors to allot and issue new KSL Shares pursuant to the Dividend Reinvestment Plan in respect of the dividends declared from time to time until the next AGM.</p> <p>GENERAL MEETING RECORD OF DEPOSITORS</p> <p>For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 63(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 23 July 2020. Only a depositor whose name appears on the Record of Depositors as at 23 July 2020 shall be entitled to attend this meeting or appoint proxy/proxies to attend, speak, participate and/or vote in his stead.</p>
---	---

BY ORDER OF THE BOARD

LIM PEI CHENG
(SSM PC No. 201908003202)(MAICSA 7071988)
Company Secretary

Johor Bahru
26 June 2020

Notes:-

A. Live Streaming Meeting

- In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the Annual General Meeting ("AGM") will be held virtually and online remote voting using the Remote Participation and Voting Facilities ("RPV").
- Please follow the procedures provided in the Administrative Guide for the 20th AGM in order to register, participate and vote remotely via the RPV.
- No Members/Proxies will be physically present at the Broadcast Venue on the day of the 20th AGM.