



KKB ENGINEERING BERHAD

REGISTRATION NO.: 197601000528 [26495-D]

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fourth Annual General Meeting (“AGM”) of KKB Engineering Berhad (“KKB” or “the Company”) will be held at Grand Margherita Hotel, Jalan Tunku Abdul Rahman, 93748 Kuching, Sarawak on Friday, 14 August 2020 at 10:00 a.m. to transact the following businesses, with or without modifications:

A G E N D A

AS ORDINARY BUSINESS:

- a. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. **[Please refer to Note A]**
- b. To approve the payment of a First and Final Single Tier Dividend of six (6) sen per ordinary share in respect of the financial year ended 31 December 2019 as recommended by the Directors. **Ordinary Resolution 1**
- c. To approve the following payments to Directors:
- i) Directors’ fees amounting to RM371,000 for the financial year ending 31 December 2020 (FYE 2019: RM318,000); and **Ordinary Resolution 2**
 - ii) Meeting allowances up to RM65,500 for the financial year ending 31 December 2020 (FYE 2019: RM64,000). **Ordinary Resolution 3**
- d. To re-elect the following Directors who retire pursuant to Clause 22.2 of the Company’s Constitution:
- i) Dr Arjunan Subramaniam **Ordinary Resolution 4**
 - ii) Mr Chai Woon Chew **Ordinary Resolution 5**
- e. To re-elect the following Directors who retire pursuant to Clause 22.9 of the Company’s Constitution:
- i) Mr Syed Hizam Alsagoff **Ordinary Resolution 6**
 - ii) Mr Yong Voon Kar **Ordinary Resolution 7**
- f. To re-appoint Messrs Ernst & Young PLT 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. **Ordinary Resolution 8**

AS SPECIAL BUSINESS:

- g. To consider and, if thought fit, to pass the following resolutions pursuant to Principle A Practice 4.2 of the Malaysian Code on Corporate Governance (“MCCG”) 2017 to retain the following Directors:
- **Continuing in office as Independent Non-Executive Directors**
 - i) “**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.” **Ordinary Resolution 9**
 - ii) “**THAT**, approval be and is hereby given to Mr Lau Nai Pek, who has served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, to continue in office as an Independent Non-Executive Director of the Company.” **Ordinary Resolution 10**
- h. To consider and, if thought fit, to pass the following resolution as ordinary resolution:
- **Proposed renewal of and new Shareholder Mandate for recurrent related party transactions of a revenue or trading nature (“Proposed Shareholder Mandate”)** **Ordinary Resolution 11**

“**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 3.2 to 3.4 of the Circular to Shareholders dated 9 July 2020 (“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 ("MMLR"), 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 3.4 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 3.6 of the Circular."

- 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 Constitution.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final Single Tier Dividend of six (6) sen per ordinary share in respect of the financial year ended 31 December 2019, if approved at the Forty-Fourth AGM, will be paid on 15 September 2020 to depositors whose names appear in the Record of Depositors on 27 August 2020.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred to the depositor's securities account before 4.30 p.m. on 27 August 2020 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)

SSM Practicing Certificate No.: 202008001906
Company Secretary

Kuching, Sarawak
Dated: 9 July 2020

A. Explanatory Notes on Ordinary Business

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

B. Explanatory Notes on Special Business

Pursuant to Paragraph 8.27(3) of the MMLR, appended hereunder are the explanatory notes on the proposed ordinary resolutions 9, 10 and 11.

1) Proposed Ordinary Resolution 9

• Continuing in office as Independent Non-Executive Director

The proposed resolution 9 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 & Remuneration Committee and the Board have recommended that he be retained based on the followings justifications:

- (a) He has met the criteria as Independent Director pursuant to MMLR.*
- (b) Dr Arjunan Subramaniam is a Senior Independent Director with high intellect, honesty and genuine commitment to serve in the best interest of the Company.*
- (c) Dr Arjunan does not hold any directorship in other listed issuers to render him to contribute less productively in the Company.*
- (d) 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.*
- (e) 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.*
- (f) His long tenure as an Independent Non-Executive Director has no conflict of interest or undue influence from interested parties.*
- (g) He attended all scheduled Board meetings without fail during the year under review.*
- (h) He is able to challenge ideas and provide perspective to Management.*
- (i) Without retaining Dr Arjunan, the Company will stand to lose a very professional Board member of his caliber.*
- (j) 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.*
- (k) In accordance to the MCCG 2017, the Company is not classified as a Large Company.*

2) Proposed Ordinary Resolution 10

• Continuing in office as Independent Non-Executive Director

The proposed resolution 10 is to comply with Principle A: II Board Composition; Practice 4.2 of the MCCG 2017 to seek shareholders' approval to retain Mr Lau Nai Pek as an Independent Non-Executive Director who has served for a cumulative term limit of nine (9) years. The Nomination & Remuneration Committee and the Board have recommended that he be retained based on the followings justifications:

- (a) He has met the criteria as Independent Director pursuant to MMLR.*
- (b) Mr Lau Nai Pek is with high intellect, honesty and genuine commitment to serve in the best interest of the Company.*
- (c) Although having served for a cumulative term of nine (9) years, Mr Lau Nai Pek is subject to yearly assessment and review by the Board through a transparent criteria evaluation.*
- (d) Mr Lau Nai Pek's valuable advice on financial and accounting matters and wide knowledge will continue to add credence to the Company and will not have any adverse effect on his independency as Independent Non-Executive Director.*
- (e) His long tenure as an Independent Non-Executive Director has no conflict of interest or undue influence from interested parties.*
- (f) He attended all scheduled Board meetings without fail during the year under review.*
- (g) He is able to challenge ideas and provide perspective to Management.*
- (h) In accordance to the MCCG 2017, the Company is not classified as a Large Company.*

3) Proposed Ordinary Resolution 11

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

Paragraph 10.09 of the MMLR 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 11, if passed, will authorize the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in 3.3 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.

Notes:

IMPORTANT NOTICE: In view of the outbreak of COVID-19 which is now a global pandemic, the Company has in place rules and control for the AGM in order to safeguard the health of attendees at AGM. You are requested to adhere to the "SOP Am Pelaksanaan Majlis Kerajaan dan Swasta – Aktiviti dan Protokol bagi Peserta."

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 7 August 2020 shall be entitled to attend the AGM and to speak and vote thereat.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DR ARJUNAN SUBRAMANIAM

Age	: 78
Gender	: Male
Nationality	: Malaysian
Qualification	: <ul style="list-style-type: none">• Bachelor of Art (Hons.) degree from University of Malaya• Bachelor of Law (Hons.) degree from University of London• Master of Laws degree from University of London• Doctor of Philosophy (Malaya)• Certificate in Legal Practice (CLP)
Position in the Company	: Independent Non-Executive Director
Working Experience & Occupation	: As per profile in page 6 of Annual Report 2019
Directorships in other public companies and listed issuer	: None
Family relationship with Directors	: None
Family relationship with major shareholders	: None
Conflict of interest	: None
List of convictions for offences other than traffic offences, within the past 5 years and any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None

LAU NAI PEK

Age	: 67
Gender	: Male
Nationality	: Malaysian
Qualification	: <ul style="list-style-type: none">• Bachelor of Commerce degree from University of Canterbury, New Zealand• Member of the Malaysian Institute of Accountants• Member of the New Zealand Society of Accountants• Member of the Investment Panel of the Malaysian Employees Provident Fund
Position in the Company	: Independent Non-Executive Director
Working Experience & Occupation	: As per profile in page 6 of Annual Report 2019
Directorships in other public companies and listed issuer	: <ul style="list-style-type: none">• Axiata Group Berhad• Malaysia Airlines Berhad• Celcom Axiata Berhad
Family relationship with Directors	: None
Family relationship with major shareholders	: None
Conflict of interest	: None
List of convictions for offences other than traffic offences, within the past 5 years and any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None

CHAI WOON CHEW

Age	: 62
Gender	: Male
Nationality	: Malaysian
Qualification	: <ul style="list-style-type: none">• Bachelor of Laws (Hons.) degree from University of Buckingham• Bachelor of Science (Hons.) degree from University of Surrey, UK• Barrister-at-Law from Lincoln's Inn, England
Position in the Company	: Non-Independent Non-Executive Director
Working Experience & Occupation	: As per profile in page 8 of Annual Report 2019
Directorships in other public companies and listed issuer	: <ul style="list-style-type: none">• Bank of China (Malaysia) Berhad
Family relationship with Directors	: None
Family relationship with major shareholders	: None
Conflict of interest	: None
List of convictions for offences other than traffic offences, within the past 5 years and any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None

SYED HIZAM ALSAGOFF

Age	: 52
Gender	: Male
Nationality	: Singaporean
Qualification	: <ul style="list-style-type: none">• Bachelor of Science degree from San Jose State University, California, USA
Position in the Company	: Non-Independent Non-Executive Director
Working Experience & Occupation	: As per profile in page 8 of Annual Report 2019
Directorships in other public companies and listed issuer	: None
Family relationship with Directors	: None
Family relationship with major shareholders	: None
Conflict of interest	: Except for certain recurrent related party transactions of a revenue nature for which he is deemed interested by virtue of his deemed indirect interests, he has no conflict of interest with the Company
List of convictions for offences other than traffic offences, within the past 5 years and any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None

YONG VOON KAR

Age	: 61
Gender	: Male
Nationality	: Malaysian
Qualification	: • Bachelor of Business Studies in Accountancy (Distinction) from Royal Melbourne Institute of Technology
Position in the Company	: Independent Non-Executive Director
Working Experience & Occupation	: As per profile in page 7 of Annual Report 2019
Directorships in other public companies and listed issuer	: • Jaya Tiasa Holding Berhad • Yayasan Sin Chew Berhad
Family relationship with Directors	: None
Family relationship with major shareholders	: None
Conflict of interest	: None
List of convictions for offences other than traffic offences, within the past 5 years and any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None