

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh 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 Thursday, 25 May 2023 at 10:00 a.m. to transact the following businesses, with or without modifications:

AGENDA

AS ORDINARY BUSINESS:

- a. To receive the Audited Financial Statements for the financial year ended 31 December 2022 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 six (6) sen per ordinary share in respect of the financial year ended 31 December 2022 as recommended by the Directors. **Ordinary Resolution 1**
- c. To approve the following payments to Non-Executive Directors:
- i) Directors' fees amounting to RM372,855 for the financial year ending 31 December 2023 (FYE 2022: RM333,900); and **Ordinary Resolution 2**
- ii) Meeting allowances up to RM77,000 for the financial year ending 31 December 2023 (FYE 2022: RM76,000). **Ordinary Resolution 3**
- d. To re-elect the following Directors who retire pursuant to Clause 22.2 of the Company's Constitution:
- i) Mr. Lau Nai Pek **Ordinary Resolution 4**
- ii) Mr. Chai Woon Chew **Ordinary Resolution 5**
- iii) Mr. Yong Voon Kar **Ordinary Resolution 6**
- e. To re-appoint 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 7**

AS SPECIAL BUSINESS:

- f. To consider and, if thought fit, to pass the following resolutions pursuant to Principle A Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG") 2021 to retain the following Directors:

Continuing in office as Independent Non-Executive Director

- 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 nine (9) years, to continue in office as an Independent Non-Executive Director of the Company." **Ordinary Resolution 8**
- ii) "THAT, subject to the passing of Resolution 4, approval be and is hereby given to Mr. Lau Nai Pek, who has served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company." **Ordinary Resolution 9**
- iii) "THAT, approval be and is hereby given to Datin Mary Sa'diah binti Zainuddin, who has served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company." **Ordinary Resolution 10**
- g. **Authority to Issue Shares** **Ordinary Resolution 11**

"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the Company's Constitution and approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 18.2 of the Company's Constitution, this resolution if passed shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Companies Act 2016 and Clause 18.2 of the Constitution of the Company in respect of the new shares to be allotted and issued by the Company pursuant to Sections 75 and 76 of the Companies Act 2016."

- h. To consider and, if thought fit, to pass the following resolution as ordinary resolution: **Ordinary Resolution 12**
- Proposed renewal of and new Shareholder Mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholder Mandate")**

"**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 Sections 3.2 to 3.4 of the Circular to Shareholders dated 19 April 2023 ("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 Annual General Meeting ("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 [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016]; 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 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 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 2022, if approved at the Forty-Seventh AGM, will be paid on 15 June 2023 to depositors whose names appear in the Record of Depositors on 30 May 2023.

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 30 May 2023 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 Practising Certificate No.: 202008001906
Company Secretary

Kuching, Sarawak
Dated: 19 April 2023

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.*

2) Proposed Ordinary Resolution 4

• Re-election of director

The Nomination & Remuneration Committee and the Board of Directors have assessed the independence of Mr. Lau Nai Pek and recommended him to be re-elected as the Director of the Company.

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 8, 9, 10, 11 and 12.

1) Proposed Ordinary Resolution 8

• Continuing in office as Independent Non-Executive Director

The proposed resolution 8 is to comply with Principle A: II Board Composition; Practice 5.3 of the MCCG 2021 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 nine (9) years. The Nomination & Remuneration Committee and the Board have recommended that he be retained based on the following 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 nine (9) 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 2021, the Company is not classified as a Large Company.*

2) 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 5.3 of the MCCG 2021 to seek shareholders' approval through a two-tier voting process to retain Mr. Lau Nai Pek as an Independent Non-Executive Director who has served beyond nine (9) years. The Nomination & Remuneration Committee and the Board have recommended that he be retained based on the following 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 consecutive term of more than 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 addition, Mr Lau Nai Pek 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 judgement of the Company.*
- (i) In accordance to the MCCG 2021, the Company is not classified as a Large Company.*

3) 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 5.3 of the MCCG 2021 to seek shareholders' approval through a two-tier voting process to retain Datin Mary Sa'diah binti Zainuddin as an Independent Non-Executive Director who has served beyond nine (9) years. The Nomination & Remuneration Committee and the Board have recommended that she be retained based on the following justifications:

- (a) She has met the criteria as Independent Director pursuant to MMLR.*
- (b) Datin Mary Sa'diah binti Zainuddin is with high intellect, honesty and genuine commitment to serve in the best interest of the Company.*
- (c) Although having served for a consecutive term of more than nine (9) years, Datin Mary Sa'diah binti Zainuddin is subject to yearly assessment and review by the Board through a transparent criteria evaluation.*

- (d) *Datin Mary Sa'diah binti Zainuddin's valuable advice on oil and gas matters and wide knowledge will continue to add credence to the Company and will not have any adverse effect on her independency as Independent Non-Executive Director.*
- (e) *Her long tenure as an Independent Non-Executive Director has no conflict of interest or undue influence from interested parties.*
- (f) *She attended all scheduled Board meetings without fail during the year under review.*
- (g) *She is able to challenge ideas and provide perspective to Management.*
- (h) *In addition, Datin Mary Sa'diah binti Zainuddin also makes a declaration twice a year that she is independent of management and free from any business or relationship that could interfere with the independent judgement of the Company.*
- (i) *In accordance to the MCG 2021, the Company is not classified as a Large Company.*

4) Proposed Ordinary Resolution 11

- **Authority to Issue Shares**

The effect of the Ordinary Resolution 11, if passed, will give the Directors of the Company, from the date of the Forty-Seventh AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, until the conclusion of the next AGM of the Company.

The Company is seeking the approval from the shareholders on the renewed mandate for the purpose of a possible fund-raising exercise including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid any delay and cost in convening general meetings to specifically approve such an issue of shares. As at to-date, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 24 May 2022.

5) Proposed Ordinary Resolution 12

- **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 12, 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 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:

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 18 May 2023 shall be entitled to attend the AGM and to speak and vote thereat.*