



金 兴 工 业 有 限 公 司

KIM HIN INDUSTRY BERHAD

Registration No.: 197301003569 (18203-V)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fiftieth Annual General Meeting ("50th AGM") of KIM HIN INDUSTRY BERHAD ("Kim Hin" or "the Company") will be held at Kim Hin Industry Berhad's Conference Room, 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia on Wednesday, 24 May 2023 at 2:30 p.m. for the following businesses:

AGENDA

As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of Directors and Auditors thereon. **[Please refer to Explanatory Note No. 1]**
- The following Independent Non-Executive Directors who have served the Board as an Independent Non-Executive Director for more than 12 years, have expressed their intention not to seek for re-appointment. Hence, they will retire at the close of the 50th AGM of the Company. **[Please refer to Explanatory Note No. 2]**
 - Mr. Fong Tshu Kwong; and
 - Mr. Ong Ah Ba
- To approve the payment of Directors' fees amounting to RM271,000 for the financial year ended 31 December 2022. **Resolution 1**
- To re-elect the following Directors who shall retire by rotation pursuant to Clause 118 of the Constitution of the Company, and being eligible, offer themselves for re-election:
 - Mr. Chua Seng Huat
 - Mr. Chua Seng Guan
 - Mdm. Chua Yew Lin**Resolution 2**
Resolution 3
Resolution 4
- To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

- Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 and approval for waiver of statutory pre-emptive rights of the shareholders of the Company** **Resolution 6**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the 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 the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act 2016, the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issue.

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of the new shares in the Company pursuant to Sections 75 and 76 of the Act."
- Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Shareholders' Mandate")** **Resolution 7**

"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries ("Kim Hin Group") to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and are necessary for the day-to-day operations of Kim Hin Group as outlined in Section 3.2 of the Circular to Shareholders dated 26 April 2023 ("Circular"), with the specific related parties mentioned therein subject further to the followings:

THAT approval be and is hereby given to the Company and its subsidiaries to enter into any of the category of recurrent related party transactions of a revenue or trading nature as set out in the Circular to shareholders dated 26 April 2023 with the specific related parties mentioned therein which are necessary for Kim Hin Group's day-to-day operations subject further to the following :

 - 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 to the detriment of the minority shareholders; and
 - disclosure is made in the annual report for the breakdown of the aggregate value of the transactions conducted pursuant to the Shareholders' 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 parties transactions made; and
 - the names of the related parties involved in each type of the recurrent related parties transactions made and their relationship with the Company.

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

 - 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;
 - 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
 - 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 be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the specified Proposed Shareholders' Mandate.

AND THAT the estimated value given on the recurrent related party transactions specified in Appendix 1 of the Circular being provisional in nature, the Board of Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in Section 3.5 of the Circular."

- Proposed Retention of Independent Non-Executive Director pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021")** **Resolution 8**

"THAT Mr. Yong Lin Lin who has served the Board as Independent Non-Executive Director of the Company for more than Nine (9) years since 21 August 2013, be and is hereby retained as Independent Non-Executive Director of the Company through a two-tier voting process until the conclusion of the next AGM in accordance with MCCG 2021."
- 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 Companies Act 2016 and the Company's Constitution.

By Order of the Board of Directors,

Jong Oi Jen
MAICSA 7069482
SSM Practicing Certificate No. 202008002165
Company Secretary
Kuching, Sarawak
Dated: 26 April 2023

Explanatory Notes to Ordinary Business:

- The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act 2016. Hence, this Agenda item will not be put forward for voting.
- Mr. Fong Tshu Kwong and Mr. Ong Ah Ba who have served the Board as an Independent Non-Executive Director for more than 12 years, have expressed their intention not to seek for re-appointment in accordance with Bursa Malaysia Main Market Listing Requirements which limiting the tenure of an Independent Director ("ID") to not more than a cumulative period of 12 years from the date of such person's first appointment as an ID.

Explanatory Notes to Special Business:

- Authority to allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016 and waiver of statutory pre-emptive rights of the shareholders (Proposed Resolution 6)**

The Proposed Resolution 6, if passed,

 - will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares to such persons in their absolute discretion without convening a general meeting provided the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
 - will approve the waiver of statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the exiting issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 49th Annual General Meeting and which will lapse at the conclusion of the 50th Annual General Meeting.

The General Mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares, for purposes of funding investment(s), repayment of borrowings, working capital and/or acquisition(s).
- Shareholder Mandate for recurrent related party transactions (Proposed Resolution 7)**

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 public listed company may seek a shareholder mandate.

The proposed Resolution 7, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in Section 3.2 of the Circular dated 26 April 2023 ("Circular"), which are necessary for the Kim Hin 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 Kim Hin Group or adversely affecting the business opportunities available to Kim Hin Group.
- Retention of Independent Non-Executive Director (Proposed Resolution 8)**

The Nomination Committee had assessed the independence of Mr. Yong Lin Lin who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and the Board had recommended that the approval of the shareholders be sought to retain Mr. Yong Lin Lin as the Independent Non-Executive Director through a two-tier voting process, as he has possessed the following attributes necessary in discharging his roles and functions of an Independent Non-Executive Director.

 - He fulfilled the criteria of an Independent Director as stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
 - He has served the Board for more than nine (9) years and therefore possess great knowledge on the strategies, operations of the Group;
 - He participates actively in Board and Board Committees deliberations and provides objective judgement and input to the Board;
 - He exercises his professional duties in the best interest of the Group; and
 - In accordance to the MCCG 2021, the Company is not classified as a Large Company.

Notes

- Only Depositors whose names appear in the General Meeting Record of Depositors as at 17 May 2023 be regarded as Members and shall be entitled to attend, speak and vote at the 50th AGM.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her place. A proxy need not be a member of the Company. Where a holder appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- 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 authorised nominee may appoint in respect of each omnibus account it holds.
- A corporation which is a member may by resolution of its directors authorise such person as it thinks fit to act as its representative at the meeting pursuant to Section 333 of the Companies Act 2016 and the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney, and the person so appointed may attend and vote at the meeting at which the appointer is entitled to vote.
- The instrument appointing a proxy or representative must be deposited at the registered office at 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.
- Registration will start at 1:00 p.m. at Kim Hin Industry Berhad's Conference Room, 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia on Wednesday, 24 May 2023.