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 Forty-Eighth Annual General Meeting ("48th 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 on Tuesday, 15 June 2021 at 2.00 p.m. for the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of Directors and Auditors thereon. **[Please refer to Explanatory Note No. 1]**
2. To approve the payment of Directors' fees amounting to RM271,000 for the financial year ended 31 December 2020. **Resolution 1**
3. To re-elect the following Directors retiring pursuant to Clause 118 of the Constitution of the Company, and being eligible, offer themselves for re-election:
   (i) Mr. Chua Seng Huat **Resolution 2**
   (ii) Mr. Chua Seng Guan **Resolution 3**
   (iii) Mr. Yong Lin Lin **Resolution 4**
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:

5. **Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016** **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."

6. **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 17 May 2021 ("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 17 May 2021 with the specific related parties mentioned therein which are necessary for Kim Hin Group's day-to-day operations subject further to the following :

   (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 to the detriment of the minority shareholders; and

   (ii) 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:

   (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 ("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 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."

7. **Retention of Independent Non-Executive Directors pursuant to Principle A Practice 4.2 of The Malaysian Code on Corporate Governance 2017 ("MCCG 2017")**
   (i) "**THAT** Mr. Fong Tshu Kwong who has served the Board as Independent Non-Executive Director of the Company for more than twelve (12) years since 21 May 2001, be and is hereby retained as Independent Non-Executive Director of the Company." **Resolution 8**
   (ii) "**THAT** Mr. Ong Ah Ba who has served the Board as Independent Non-Executive Director of the Company for more than nine (9) years since 8 December 2009, be and is hereby retained as Independent Non-Executive Director of the Company." **Resolution 9**
8. 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,

Yeo Puay Huang [SSM PC No. 202008000727 (LS 0000577)]
Company Secretary

Kuching, Sarawak
Dated: 17 May 2021

Explanatory Notes to Ordinary Business:

1) 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 for voting.

Explanatory Notes to Special Business:

2) Authority to allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016 (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.

The General Mandate granted by the shareholders at the 47th Annual General Meeting of the Company had not been utilized and hence no proceed was raised therefrom.

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).

3) 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 17 May 2021 ("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.

4) Retention of Independent Non-Executive Directors (Proposed Resolutions 8 and 9)

The Nomination Committee had assessed the independence of Mr. Fong Tshu Kwong who has served on the Board as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and Mr. Ong Ah Ba who has served on the Board as 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 them as the Independent Non-Executive Directors, as they possess the following attributes necessary in discharging their roles and functions of an Independent Non-Executive Directors:

(i) Fulfill the criteria of an Independent Director as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
(ii) Have served the Board for more than nine (9) years and therefore possess great knowledge on the strategies, operations of the Group;
(iii) Participate actively in Board and Board Committees deliberations and provides objective judgement and input to the Board;
(iv) Exercise their professional duties in the best interest of the Group; and
(v) In accordance to the MCCG 2017, the Company is not classified as a Large Company.

Notes

1. *Only Depositors whose names appear in the General Meeting Record of Depositors as at 8 June 2021 be regarded as Members and shall be entitled to attend, speak and vote at the 48th AGM.*
2. *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.*
3. *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.*
4. *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.*
5. *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.*
6. *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 not less than forty-eight (48) hours before the time for holding the meeting.*
7. *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.*
8. *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 on Tuesday, 15 June 2021.*
9. *As a precautionary measure against the spread of Covid-19, members are strongly encouraged to appoint either the Chairman of the Meeting or any of the Independent Directors as proxy to vote in his stead.*
10. *At the physical meeting, members are advised to observe the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Securities Council, and other relevant authorities to curb the spread of Covid-19 are abided by; ensure a physical distance of at least one (1) meter between each meeting participant at all times; and all participants have to wear face masks.*
11. *The Company will continue to monitor the Covid-19 pandemic situation closely and may adopt further procedures and measures at short notice as public health situation changes. Members can check further update on the Company's website at www.kimhin.com.my.*