



KESM INDUSTRIES BERHAD
Registration No. 197201001376 (13022-A)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Ninth Annual General Meeting ("49th AGM") of the Company will be held at Connexion Conference & Event Centre, Spectrum and Prism (Level 3A), Nexus, Bangsar South, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 7 January 2021 at 10:00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS

- To receive the audited financial statements for the financial year ended 31 July 2020 together with the reports of the Directors and of the Auditors thereon.
- To declare a final tax exempt dividend of 6 sen per share in respect of the financial year ended 31 July 2020. Resolution 1
- To approve payment of Directors' fees and allowances of RM293,000 in respect of the financial year ended 31 July 2020. Resolution 2
(Please see Explanatory Note)
- To re-elect the following Directors who are retiring pursuant to Article 100 of the Company's Constitution and being eligible, have offered themselves for re-election: -
 - Mr Kenneth Tan Teoh Khoon Resolution 3
 - Tuan Haji Zakariah Bin Yet Resolution 4
- To re-appoint Ernst & Young PLT as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolutions:

- Continuation in office as Independent Non-Executive Director Resolution 6
"THAT Mr Yong Chee Hou who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby allowed to continue in office as an Independent Non-Executive Director of the Company."
- Continuation in office as Independent Non-Executive Director Resolution 7
"THAT Tuan Haji Zakariah Bin Yet who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby allowed to continue in office as an Independent Non-Executive Director of the Company."
- To transact any other business which may be properly 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

LEONG OI WAH (MAICSA 7023802)
SSM PRACTISING CERTIFICATE NO. 201908000717
Company Secretary

Petaling Jaya
27 October 2020

Notes: -

- A member entitled to attend and vote at the 49th AGM is entitled to appoint proxy/proxies who may but need not be member/members of the Company to attend and vote in his/her stead.
- When a member appoints two or more proxies the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing proxy/proxies shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing proxy/proxies must be deposited at the Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, at least forty-eight (48) hours before the time appointed for holding the 49th AGM or any adjournment thereof.
- Depositors whose name appear in the Record of Depositors on 31 December 2020 shall be regarded as member of the Company entitled to attend the 49th AGM or appoint proxy/proxies to attend and vote on his/her/its behalf.

Explanatory Note To Ordinary Business: -

Resolution 2

Payment of Directors' fees and allowances in respect of the financial year ended 31 July 2020 are as follows:

Description	Amount (RM)
Directors' fees	266,000
Allowances (Payable to Non-Executive Directors only)	27,000
Total	293,000

Explanatory Note To Special Business: -

Resolutions 6 & 7

Mr Yong Chee Hou and Tuan Haji Zakariah Bin Yet have served as Independent Non-Executive Directors of the Company since 11 January 2002 and 8 March 2011 respectively.

The Nominating Committee and the Board having assessed their independence, recommend that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- they meet the independence criteria as set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- their length of service on the Board has not affected their ability to exercise independent judgement while acting in the best interests of the Company.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that the final tax exempt dividend of 6 sen per share in respect of the financial year ended 31 July 2020, if approved at the forthcoming Annual General Meeting, will be paid on 9 February 2021 to Depositors registered in the Record of Depositors on 14 January 2021. A Depositor shall qualify for entitlement only in respect of:

- shares transferred into the Depositor's securities accounts before 4.00 p.m. on 14 January 2021, in respect of ordinary transfers; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802)
SSM PRACTISING CERTIFICATE NO. 201908000717
Company Secretary

Petaling Jaya
27 October 2020