

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Ninth Annual General Meeting (“**59th AGM**”) of Batu Kawan Berhad (“**BKB**” or “**Company**”) will be held at Conference Room, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 21 February 2024 at 3.00 p.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2023 and the Directors’ and Auditors’ Reports thereon.
2. To re-elect the following Directors who retire by rotation in accordance with the Company’s *Constitution*:

Mr. Quah Chek Tin	(Ordinary Resolution 1)
Dr. Tunku Alina Binti Raja Muhd Alias	(Ordinary Resolution 2)
Mr. Lim Ban Aik	(Ordinary Resolution 3)
3. To approve the payment of Directors’ fees to the Non-Executive Directors for the financial year ended 30 September 2023 amounting to RM1,473,322 (2022: RM1,392,514). (Ordinary Resolution 4)
4. To approve the payment of Directors’ benefits (other than Directors’ fees) for the period from this 59th AGM to the Sixtieth Annual General Meeting (“**60th AGM**”) of the Company to be held in 2025. (Ordinary Resolution 5)
5. To re-appoint Messrs BDO PLT as External Auditors of the Company for the financial year ending 30 September 2024 and to authorise the Board of Directors to fix their remuneration. (Ordinary Resolution 6)

As Special Business:

6. To consider and, if thought fit, pass the following ordinary resolutions:
 - (a) **PROPOSED RENEWAL OF AUTHORITY TO BUY BACK ITS OWN SHARES BY THE COMPANY** (Ordinary Resolution 7)

“THAT authority be given to the Company to buy back an aggregate number of shares in the Company (“**Authority to Buy Back Shares**”) as may be determined by the Directors from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the best interests of the Company provided that at the time of purchase, the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and that the maximum funds to be allocated for the Authority to Buy Back Shares shall not exceed the latest audited retained profits of the Company;

THAT the shares purchased by the Company pursuant to Authority to Buy Back Shares may be dealt with by the Directors in all or any of the following manner:

- (i) distribute the shares as share dividends to the shareholders; or
- (ii) resell the shares or any of the shares on Bursa Malaysia Securities Berhad; or
- (iii) transfer the shares or any of the shares for the purposes of or under an employees’ share scheme; or
- (iv) transfer the shares or any of the shares as purchase consideration; or
- (v) cancel the shares or any of the shares; or
- (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the *Companies Act 2016*.

Notice of Annual General Meeting (Continued)

AND THAT the Directors be and are hereby empowered to do all such acts and things to give full effect to the Authority to Buy Back Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities AND THAT such authority shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of a purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority.”

- (b) **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** (Ordinary Resolution 8)

“THAT subject to the *Companies Act 2016* and the *Main Market Listing Requirements* of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into all arrangements and/or transactions as set out in Appendix II of the Circular to Shareholders dated 29 December 2023 involving the interests of Directors, major shareholders or persons connected with Directors or major shareholders (“**Related Parties**”) of the Company and/or its subsidiaries provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group’s day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of minority shareholders,

(“**Mandate**”).

THAT such authority shall commence upon the passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(1) of the *Companies Act 2016* but shall 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 earlier.

AND THAT the Directors of the Company be 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 Mandate.”

Notice of Annual General Meeting (Continued)

- (c) **PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY (“BKB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN BKB SHARES (“DIVIDEND REINVESTMENT PLAN”)** (Ordinary Resolution 9)

“THAT pursuant to the Dividend Reinvestment Plan (“DRP”) approved by the shareholders at the Annual General Meeting held on 13 February 2018 and subject to the approval of the relevant authorities (if any), approval be and is hereby given to the Company to allot and issue such number of BKB Shares pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said BKB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (“VWAMP”) of BKB shares immediately prior to the price-fixing date, which VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.”

7. To transact any other business of which due notice shall have been given in accordance with the *Companies Act 2016*.

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the General Meeting Record of Depositors or Register of Members as at 14 February 2024 shall be entitled to attend and vote at this Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote in his/her stead.

By Order of the Board
YAP MIOW KIEN (MAICSA 7059013) SSM PC 202008000769
GOH SWEE ENG (MIA 15953) SSM PC 202008002222
CHIEW CINDY (MAICSA 7057923) SSM PC 202008002202
 (Company Secretaries)

Ipoh, Perak Darul Ridzuan, Malaysia.
 29 December 2023

Notice of Annual General Meeting (Continued)

NOTES:

(1) APPOINTMENT OF PROXY

- (a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend and vote at the same meeting on his/her behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies in the instrument appointing the proxies the proportion of shareholdings to be represented by each proxy.
- (b) Where the proxy form is executed by a corporation, it must be signed under its common seal or where the corporation does not have a common seal, by any two (2) of its authorised officers or under the hand of its officer or attorney duly authorised. In the case of a corporation with a single director, it shall be signed by the single director and countersigned by the company secretary of the corporation.
- (c) Where a member of the Company is an exempt authorised nominee, as defined under the *Securities Industry (Central Depositories) Act 1991*, who holds 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 authorised nominee may appoint in respect of each omnibus account it holds.
- (d) Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (e) The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by the Company not less than twenty-four (24) hours before the time appointed for the taking of the poll:
 - In hardcopy form
The original proxy form shall be deposited at the Company Share Registrar’s office, Boardroom Share Registrars Sdn Bhd (“**Boardroom**”), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - Electronically
The proxy form can be electronically lodged with Boardroom via Boardroom’s website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.
- (f) The power of attorney or other authority, if any, under which it is signed or a notarially certified of that power or authority, shall be deposited with Boardroom not less than twenty-four (24) hours before the time appointed for the taking of the poll.

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS

(a) Audited Financial Statements for financial year ended 30 September 2023

The Audited Financial Statements are laid in accordance with Section 340(1) of the *Companies Act 2016* for discussion only and do not require members’ approval. Hence, Agenda 1 will not be put forward for voting.

(b) Re-election of Directors

Mr. Quah Chek Tin, Dr. Tunku Alina Alias and Mr. Lim Ban Aik who retire by rotation in accordance with the Company’s *Constitution* and being eligible, have offered themselves for re-election at this Annual General Meeting.

For the purpose of determining the eligibility of the Directors standing for re-election, the Board through its Nomination Committee had assessed the retiring Directors, and considered the following:

- (i) the Directors’ performance and contribution based on the Board Self-Evaluation for the financial year ended 2023 results;
- (ii) the Directors’ level of contribution to the Board and Board Committees’ deliberations;

Notice of Annual General Meeting (Continued)

NOTES: (Continued)

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS (Continued)

(b) Re-election of Directors (Continued)

- (iii) the level of independence demonstrated by the Independent Directors (i.e. Dr. Tunku Alina Alias and Mr. Lim Ban Aik), and their ability to act in the best interests of the Company; and
- (iv) the Directors' fitness and propriety with reference to the *Directors' Fit and Proper Policy* of the Company.

Based on the aforesaid assessment, the Board and Nomination Committee are satisfied that the retiring Directors met the following criteria required to an effective and contributing director:

- willingness and the ability to challenge and ask the right questions;
- sound character and integrity in dealing with potential conflict of interest situations;
- commitment and time to serve the Company;
- fitness and propriety;
- competent and capable; and
- past contribution and performance.

The Directors standing for re-election have discharged their duties and responsibilities effectively and efficiently. Noting their positive assessments, the Board approved Nomination Committee's recommendation that the retiring Directors, Mr. Quah Chek Tin, Dr. Tunku Alina Alias and Mr. Lim Ban Aik, be eligible to stand for re-election at the forthcoming Annual General Meeting.

Shareholders' approvals are sought for the re-elections of Mr. Quah Chek Tin, Dr. Tunku Alina Alias and Mr. Lim Ban Aik under Ordinary Resolutions 1, 2 and 3 respectively.

(c) Payment of Directors' Fees and Benefits

Section 230(1) of the *Companies Act 2016* provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the members' approval shall be sought at this 59th AGM on the Directors' fees and benefits in two (2) separate resolutions as follows:

- (i) Ordinary Resolution 4 on payment of Directors' fees to the Non-Executive Directors in respect of the financial year ended 2023 is as set out below:

	Board (RM per annum)	Audit and Risk Committee (RM per annum)	Other Board Committees (RM per annum)
Non-Executive Chairman	217,500	35,000	25,000
Non-Executive Directors / Committee Members	145,000	25,000	15,000

- (ii) Ordinary Resolution 5 on payment of Directors' benefits (other than Directors' fees) for the period from this 59th AGM to 60th AGM of the Company to be held in 2025, as summarised in the table below:

Type of Benefit/Allowance	Amount
Meeting Allowance (Board and Committees)	RM2,000 per meeting
Overseas Travelling Allowance	RM1,000 per day
Other Benefits	Business travel, medical, insurance coverage, and other claimables and reimbursables for the purpose of enabling the Directors to perform their duties.

Notice of Annual General Meeting (Continued)

NOTES: (Continued)

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS (Continued)

(d) Re-appointment of Auditors and Audit Fees

The Audit and Risk Committee had, at its meeting held on 21 November 2023, assessed the suitability and independence of the External Auditors, Messrs BDO PLT, and considered its engagement team, reporting, deliverables, fees and non-audit services. The Audit and Risk Committee also reviewed the information presented in the *Annual Transparency Report* of Messrs BDO PLT.

The Audit and Risk Committee was satisfied with the performance and suitability of Messrs BDO PLT based on the quality of audit, competency and sufficiency of resources of Messrs BDO PLT in relation to the financial year ended 2023 audit.

Noting the Audit and Risk Committee's assessment results supporting the re-appointment of Messrs BDO PLT as External Auditors of the Company for the financial year ending 2024, the Board approved the Audit and Risk Committee's recommendation to seek shareholders' approval for Messrs BDO PLT's re-appointment at the forthcoming Annual General Meeting in 2024 and to authorise the Directors to fix their remuneration under Ordinary Resolution 6.

(3) EXPLANATORY NOTES TO SPECIAL BUSINESS

(a) Proposed Renewal of Authority to Buy Back Shares

Ordinary Resolution 7 proposed under Item 6(a) of the Agenda, if passed, will empower the Directors to buy back the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 8 proposed under Item 6(b) of the Agenda, if passed, will allow the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of business made on normal commercial terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders.

By obtaining the approval for the Proposed Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek members' approval as and when such Recurrent Related Party Transactions occur is avoided which would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

(c) Proposed Renewal of Authority for Directors to Allot and Issue BKB Shares in relation to Dividend Reinvestment Plan

The shareholders had, at the Fifty-Third Annual General Meeting held on 13 February 2018, approved the authority for the Directors to allot and issue BKB Shares in relation to DRP and such authority will expire at the conclusion of the forthcoming Annual General Meeting.

Ordinary Resolution 9 proposed under Item 6(c) of the Agenda, if passed, will give authority to the Directors to allot and issue BKB Shares pursuant to the DRP in respect of any dividends declared, and such authority shall expire at the conclusion of the next Annual General Meeting of the Company.

For Ordinary Resolutions 7 and 8 mentioned above, further information is set out in the Circular to Shareholders of the Company dated 29 December 2023 which is available on the Company's website, www.bkawan.com.my.