

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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KIM LOONG
RESOURCES BERHAD

錦隆資源有限公司

KIM LOONG RESOURCES BERHAD

Registration No. 197501000991 (22703-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The ordinary resolution in respect of above proposal will be tabled as Special Business at the Forty-eighth Annual General Meeting of the Company to be held at the Lido Room, Level 6, Amari Johor Bahru, No. 82C, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim on Thursday, 27 July 2023 at 11.00 a.m.

The Notice of the Forty-eighth Annual General Meeting together with the Form of Proxy, the Annual Report 2023 and this Circular are available on the Company’s website www.kimloong.com.my under the Investor Relations Section.

You are requested to complete the Form of Proxy and deposit it at the Registered Office of the Company at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, not later than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof if you decide to appoint a proxy to attend and vote on your behalf. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 26 July 2023 at 11.00 a.m.
Date and time of the Forty-eighth Annual General Meeting : Thursday, 27 July 2023 at 11.00 a.m.

This Circular is dated 30 May 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

- | | |
|-------------------------|---|
| “Act” | - The Malaysian Companies Act, 2016, as amended from time to time and includes any re-enactment thereof |
| “AGM” | - Annual General Meeting |
| “Annual Report 2023” | - Annual Report of the Company for the financial year ended 31 January 2023 |
| “ACSB” | - Ascendant Capital Sdn. Bhd.
Registration No. 201801042713 (1304745-P) |
| “Board of Directors” | - The Board of Directors of KLRB |
| “Bursa Securities” | - Bursa Malaysia Securities Berhad |
| “Director” | - Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company |
| “EPW” | - Eternal Profits Worldwide Sdn. Bhd.
Registration No. 201801042711 (1304743-D) |
| “GCK” | - Gooi Chuen Kang |
| “GKC” | - Gooi Khai Chien |
| “GSC” | - Gooi Seong Chneh |
| “GSG” | - Gooi Seong Gum |
| “GSH” | - Gooi Seong Heen |
| “GSL” | - Gooi Seong Lim |
| “HY” | - Heng Yuen Sdn. Bhd.
Registration No. 197701005361 (36370-H) |
| “KLP” | - Kim Loong Plantations Sdn. Bhd.
Registration No. 199201001582 (233086-T) |
| “KLRB” or “the Company” | - Kim Loong Resources Berhad
Registration No. 197501000991 (22703-K) |
| “KLRB Group” | - KLRB and its subsidiary companies collectively |
| “Listing Requirements” | - The Main Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time |

“Major shareholder”

- A person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is -
 - (a) 10% or more of the total number of voting shares in the company; or
 - (b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company

This includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major shareholder of the Company or any other company which is its subsidiary or holding company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act

“Person connected”

- Such person, in relation to a Director or Major shareholder, who falls under any one of the following categories –
 - (a) a family member of the Director or Major shareholder who falls within any one of the following categories –
 - (i) spouse;
 - (ii) parent;
 - (iii) child including an adopted child and step child;
 - (iv) brother or sister; and
 - (v) spouse of the person referred to in (iii) and (iv) above;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major shareholder or family member of the Director or Major shareholder is the sole beneficiary;
 - (c) a partner of the Director, Major shareholder or a partner of a Person connected with that Director or Major shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major shareholder;
 - (e) a person in accordance with whose directions, instructions or wishes the Director or Major shareholder is accustomed or is under an obligation, whether formal or informal, to act;

DEFINITIONS *(Cont'd)*

- (f) a body corporate or its directors which / who is / are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major shareholder;
 - (g) a body corporate or its directors whose directions, instructions or wishes the Director or Major shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - (h) a body corporate in which the Director, Major shareholder and / or Persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (i) a body corporate which is a related corporation
- “Proposed Shareholders’ Mandate” - The proposed renewal of shareholders’ mandate for the Company and / or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Party(ies) for which approval from the shareholders is being sought at the forthcoming Forty-eighth AGM
- “Recurrent Related Party Transactions or Recurrent Transactions” - Recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations and in the ordinary course of business of the KLRB Group
- “Related Party(ies)” - A Director, Major shareholder or Person connected with such Director or Major shareholder. For the purpose of this definition, “Director”, “Major shareholder” and “Person connected” shall have the same meanings as defined herein
- “RM” and “sen” - Ringgit Malaysia and sen respectively
- “SGGH” - SG Gooi Holdings Sdn. Bhd.
Registration No. 201801042708 (1304740-K)
- “SKL” - Sharikat Kim Loong Sendirian Berhad
Registration No. 196701000363 (7315-V)
- “WPSB” - Wilgain Prosperity Sdn. Bhd.
Registration No. 201801042705 (1304737-K)

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KIM LOONG RESOURCES BERHAD

Registration No. 1975010009911 (22703-K)
(Incorporated in Malaysia)

Registered Office:-

Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

30 May 2023

Directors

Gooi Seong Lim (Executive Chairman)
Gooi Seong Heen (Managing Director)
Gooi Seong Chneh (Executive Director)
Gooi Seong Gum (Executive Director)
Yong Chung Sin (Senior Independent Non-Executive Director)
Soh Ban Ting (Independent Non-Executive Director)
Dr. Chee Yau Kuan @ Chia Yan Kuan (Independent Non-Executive Director)
Gooi Khai Chien (Alternate Director to Gooi Seong Lim)
Gooi Chuen Kang (Alternate Director to Gooi Seong Heen)

To: The Shareholders of Kim Loong Resources Berhad

Dear Shareholders,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

The Company had on 12 May 2023 announced its intention to seek approval of its shareholders for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming Forty-eighth AGM. The Notice of the Forty-eighth Annual General Meeting together with the Form of Proxy is set out in the Annual Report 2023. The extract of the Notice of the Forty-eighth Annual General Meeting pertaining to the Proposed Shareholders' Mandate is enclosed together with this Circular.

YOU ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 PROPOSED SHAREHOLDERS' MANDATE

Under Paragraph 10.09 (2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to, inter alia, the following –

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the following threshold in relation to a listed issuer with an issued and paid-up share capital of RM60 million and above -
 - (i) the consideration, value of the assets, capital outlay or costs of the recurrent related party transaction is RM1 million or more; or
 - (ii) the percentage ratio of such recurrent related party transaction is 1% or more;whichever is the higher;
- (c) the issuance of the listed issuer's circular to shareholders for the shareholders' mandate which includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, which have any interest, direct or indirect, in the proposal, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer, exceeds the estimated value of the recurrent related party transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

In view of the time-sensitive, confidential and frequent nature of the Recurrent Related Party Transactions of a revenue or trading nature which are to be entered into between the Company and / or its subsidiaries with the Related Party(ies), your Board of Directors is seeking its shareholders' approval for the Proposed Shareholders' Mandate.

The Recurrent Related Party Transactions within the class of Related Parties are set out in Section 2.3 and such transactions are entered into in the ordinary course of business and are on terms which are not more favourable to the Related Parties than those generally available to the public and which will not be to the detriment of the Company's minority shareholders. The Recurrent Related Party Transactions will also be subject to the review procedures set out in Section 2.5.

2.2 PRINCIPAL ACTIVITIES OF THE KLRB GROUP

KLRB is principally involved in investment holding and cultivation of oil palm and its subsidiaries are involved in the cultivation of oil palm, processing of oil palm fresh fruit bunches and marketing of oil palm products (such as crude palm oil and palm kernel oil), processing of oil palm fibre and biogas and power generation.

2.3 CLASS AND NATURE OF RECURRENT RELATED PARTY TRANSACTIONS

2.3.1 Class of Related Parties

The Proposed Shareholders' Mandate sought is primarily in respect of Recurrent Transactions to be entered into by the Company and / or its subsidiaries with the Related Party(ies) which are necessary for the day-to-day operations of the KLRB Group.

The Proposed Shareholders' Mandate will apply to the Recurrent Transactions entered into with the following Related Party, namely KLP.

The principal activity of KLP and its relationship with KLRB are detailed in the table below –

Related Party	Principal Activity of Related Party	Relationship between the Related Party and KLRB
KLP	Cultivation of oil palm	<p>KLP is a wholly-owned subsidiary of SKL.</p> <p>SKL is a Major shareholder and the holding company of KLRB.</p> <p>WPSB, EPW, ACSB and SGGH are Major shareholders of KLRB by virtue of their interests in SKL.</p> <p>GSL, the Executive Chairman and a Major shareholder of KLRB, is a director of KLP, SKL and WPSB, and a substantial shareholder of WPSB.</p> <p>GSH, the Managing Director and a Major shareholder of KLRB, is a director of KLP, SKL and EPW, and a substantial shareholder of EPW.</p> <p>GSC, an Executive Director and a Major shareholder of KLRB, is a director of KLP, SKL and ACSB, and a substantial shareholder of ACSB.</p>

		<p>GSG, an Executive Director and a Major shareholder of KLRB, is a director of KLP, SKL and SGGH, and a substantial shareholder of SGGH.</p> <p>GKC is an Alternate Director to GSL of KLRB.</p> <p>GCK is an Alternate Director to GSH of KLRB.</p>
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2.3.2 Nature of Recurrent Related Party Transactions for the Proposed Shareholders' Mandate

The nature of the Recurrent Transactions between the Company and / or its subsidiaries and the Related Party with whom the Recurrent Related Party Transactions are to be carried out for the Proposed Shareholders' Mandate is tabulated as follows –

Nature of Transactions	Related Party	Estimated value from the Forty-eighth AGM on 27 July 2023 to the date of the Forty-ninth AGM (by 31 July 2024)* (RM)	Estimated value as disclosed in the preceding year's circular to shareholders dated 30 May 2022* (RM)	Actual value from 27 July 2022 (date of Forty-seventh AGM) to 30 April 2023 (RM)
Purchase of oil palm fresh fruit bunches by the Company and / or its subsidiaries from KLP	KLP	30,000,000	40,000,000	21,225,762

Note:-

* The estimated value of transactions is based on current market prices and forecast requirements. Due to the nature of the transactions which are seasonal and depending on market prices and production, the actual value of the transactions may vary from the estimated value disclosed above.

The actual value transacted from 27 July 2022 to 30 April 2023 does not exceed 10% or more of the estimated value disclosed in the preceding year's circular to shareholders dated 30 May 2022.

KLP did not owe the Company and / or its subsidiaries any sum under the Recurrent Related Party Transactions.

2.4 RATIONALE AND BENEFITS OF TRANSACTING WITH THE RELATED PARTIES

The Recurrent Related Party Transactions entered or to be entered into by the KLRB Group with the Related Party are all in the ordinary course of business and of a revenue or trading nature and will be made on an arm's length basis and on terms not more favourable to the Related Party than those generally available to the public. These transactions occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time sensitive nature and confidentiality of such transactions.

It may also be impractical to seek shareholders' approval on a case by case basis before entering into such transactions. The approval of the Proposed Shareholders' Mandate and the renewal on an annual basis would also eliminate the need to announce and/or convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions arise, thereby reducing substantially administrative time, inconvenience and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the KLRB Group.

2.5 REVIEW PROCEDURES

The procedures and guidelines for review are to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:-

- (a) All companies within the KLRB Group have been and will be kept informed of the Related Parties and the review procedures applicable to all Recurrent Transactions with the Related Parties.
- (b) All Recurrent Related Party Transactions having a value exceeding RM500,000 per transaction must be approved by the Audit Committee prior to their entry. All such transactions having a value not exceeding RM500,000 per transaction need not have the prior approval of the Audit Committee but must be tabled for notation by the Audit Committee on a half yearly basis.
- (c) Proper records will be maintained to capture all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure accurate disclosure thereof.
- (d) The annual audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (e) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions are complied with.
- (f) The Audit Committee shall have overall responsibility for the determination of the review procedures. If a member of the Audit Committee has an interest in any particular transaction, he will abstain from any deliberation of the Audit Committee in respect of that transaction.

- (g) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the prices and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, then the next closest type of products/services will be used as comparison and ensure that the Recurrent Related Party Transactions are not detrimental to KLRB or KLRB Group.

Disclosure will be made in the Annual Report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year and also be made in the Annual Reports for subsequent financial years during which the shareholders' mandate remains in force, based on the following information -

- (a) the type of recurrent transactions made; and
- (b) the name of the related parties involved in each type of recurrent transactions made and their relationship with the Company.

The authority conferred by the Proposed Shareholders' Mandate shall commence upon the passing of the relevant resolution and shall continue to be in force until -

- (a) the conclusion of the next annual general meeting following the general meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, such authority is renewed;
- (b) 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(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier.

2.6 STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.5 above and is satisfied that the review procedures and processes for Recurrent Related Party Transactions are adequate and sufficient to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. The Audit Committee will review these procedures and processes annually and/or as and when the need arises to ensure that such transactions are made at arm's length and in accordance with the normal commercial terms of the KLRB Group and hence, not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

2.7 CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is conditional upon approval of the shareholders of KLRB being obtained at the forthcoming Forty-eighth AGM to be convened.

3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The shareholdings of the Directors and Major shareholders who are deemed interested in the Proposed Shareholders' Mandate and the Persons connected with them in KLRB as at 30 April 2023 are as follows -

Directors	Direct Shareholdings	Interest %	Deemed Shareholdings	Interest %
GSL	6,102,532 ^(a)	0.63	632,435,972 ^(b)	65.39
GSH	5,568,922 ^(c)	0.58	628,227,576 ^(d)	64.95
GSC	5,127,922	0.53	628,227,576 ^(e)	64.95
GSG	397,800	0.04	628,378,776 ^(f)	64.97
GKC	-	-	3,149,996 ^(g)	0.33
GCK	-	-	-	-

Major shareholders	Direct Shareholdings	Interest %	Deemed Shareholdings	Interest %
SKL	624,452,616	64.56	-	-
GSL	6,102,532 ^(a)	0.63	632,435,972 ^(b)	65.39
GSH	5,568,922 ^(c)	0.58	628,227,576 ^(d)	64.95
GSC	5,127,922	0.53	628,227,576 ^(e)	64.95
GSG	397,800	0.04	628,378,776 ^(f)	64.97
WPSB	-	-	624,452,616 ^(h)	64.56
EPW	-	-	624,452,616 ^(h)	64.56
ACSB	-	-	624,452,616 ^(h)	64.56
SGGH	-	-	624,452,616 ^(h)	64.56

Notes -

- (a) 6,102,532 KLRB shares held in bare trust by UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.
- (b) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL which holds 624,452,616 KLRB shares, HY which holds 3,422,160 KLRB shares, 3,149,996 KLRB shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which GSL is a director and substantial shareholder and his spouse, Lim Phaik Ean, who holds 1,411,200 KLRB shares.
- (c) 1,938,988 and 3,629,934 KLRB shares held in bare trust by CIMB Group Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.
- (d) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL which holds 624,452,616 KLRB shares, HY which holds 3,422,160 KLRB shares and his spouse, Looi Kok Yean, who holds 352,800 KLRB shares.
- (e) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL which holds 624,452,616 KLRB shares, HY which holds 3,422,160 KLRB shares and his spouse, Lee T'ian C'ean, who holds 352,800 KLRB shares.
- (f) Deemed interest by virtue of his interest in SGGH which in turn has an interest in SKL which holds 624,452,616 KLRB shares, HY which holds 3,422,160 KLRB shares and his spouse, Teo Ai Mei, who holds 504,000 KLRB shares.

- (g) Deemed interest by virtue of his interest in 3,149,996 KLRB shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which GKC is a substantial shareholder.
- (h) Deemed interest by virtue of their interests in SKL which holds 624,452,616 KLRB shares.

The interested Directors, namely GSL, GSH, GSC, GSG, GKC and GCK have abstained and will continue to abstain from all board deliberations and voting on the relevant resolution in respect of the Proposed Shareholders' Mandate.

GSL, GSH, GSC, GSG, GKC and GCK have undertaken that they will abstain from voting in respect of their direct and indirect shareholdings in KLRB on the Proposed Shareholders' Mandate at the forthcoming Forty-eighth AGM.

The interested Major shareholders, namely GSL, GSH, GSC, GSG, WPSB, EPW, ACSB, SGGH and SKL have undertaken that they will abstain from voting in respect of their direct and / or indirect shareholdings in KLRB on the Proposed Shareholders' Mandate at the forthcoming Forty-eighth AGM.

In addition, the interested Directors and / or interested Major shareholders have undertaken that they shall ensure that HY, Wilgain Holdings Pte. Ltd., Lim Phaik Ean, the spouse of GSL, Looi Kok Yean, the spouse of GSH, Lee T'ian C'ean, the spouse of GSC, Teo Ai Mei, the spouse of GSG, being Persons connected with them, will abstain from voting in respect of their direct and/or indirect shareholdings in KLRB deliberating or approving the Proposed Shareholders' Mandate at the forthcoming Forty-eighth AGM.

Save as disclosed above, none of the other Directors and / or Major shareholders of KLRB or Persons connected with them have any interest, direct or indirect in the Proposed Shareholders' Mandate.

4. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Shareholders' Mandate, your Board of Directors (save for GSL, GSH, GSC, GSG, GKC and GCK who are deemed interested in the Proposed Shareholders' Mandate and hence abstain from giving their opinion thereon) is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and its subsidiaries.

Accordingly, your Board of Directors (save for GSL, GSH, GSC, GSG, GKC and GCK, being the interested parties to the Proposed Shareholders' Mandate, and hence make no recommendation relating to the Proposed Shareholders' Mandate) recommends that you vote in favour of the resolution approving the Proposed Shareholders' Mandate to be tabled at the forthcoming Forty-eighth AGM.

5. ANNUAL GENERAL MEETING

The ordinary resolution to approve the Proposed Shareholders' Mandate is set out as Special Business in the Notice of the Forty-eighth AGM enclosed in the Annual Report 2023. The Forty-eighth AGM will be held at the Lido Room, Level 6, Amari Johor Bahru, No. 82C, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim on Thursday, 27 July 2023 at 11.00 a.m.

The Notice of the Forty-eighth AGM together with the Form of Proxy, the Annual Report 2023 and this Circular are available on the Company's website www.kimloong.com.my under the Investor Relations Section.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the Company's Registered Office at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time set for holding the AGM or any adjournment thereof.

The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

6. FURTHER INFORMATION

Shareholders are requested to refer to the Appendix I contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors
KIM LOONG RESOURCES BERHAD

Yong Chung Sin
Senior Independent Non-Executive Director

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FURTHER INFORMATION**1. Directors' Responsibility Statement**

This Circular has been seen and approved by the Directors of KLRB and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. Material Contracts

There are no material contracts, (not being contracts entered into the ordinary course of business), which have been entered into by the Company and / or its subsidiaries within the past two (2) years preceding the date of this Circular.

3. Material Litigation

As at 30 April 2023, neither the Company nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of the Company have no knowledge of any proceeding, pending or threatened against the Company and its subsidiary companies or any fact likely to give rise to any proceeding which might materially affect the position and business of the Company and its subsidiary companies.

4. Documents for Inspection

The following documents are available for inspection at KLRB's Registered Office at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal office hours (except for public holidays) from the date of this Circular to the date of the forthcoming Forty-eighth AGM

- (a) the Constitution of KLRB; and
- (b) the audited financial statements of KLRB for the past two (2) financial years ended 31 January 2022 and 2023.

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KIM LOONG RESOURCES BERHAD

Registration No. 197501000991 (22703-K)

(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE FORTY-EIGHTH ANNUAL GENERAL MEETING

As Special Business, to consider and if thought fit, to pass the following resolution -

**ORDINARY RESOLUTION 11 -
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the Proposed Shareholders' Mandate for the Company and / or its subsidiaries to enter into and give effect to the category of the recurrent related party transactions of a revenue or trading nature with the related parties, as specified in Section 2.3 of the Circular to Shareholders dated 30 May 2023 provided that such transactions are made on an arm's length basis and on normal commercial terms and subject further to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and
- (b) disclosure is made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-
 - (i) the type of the recurrent transactions made; and
 - (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company,

and such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company following the 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;
- (b) 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(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and / or authorised by this Ordinary Resolution.”