

KNM GROUP BERHAD
521348-H
(Incorporated in Malaysia)

MINUTES

MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING OF KNM GROUP BERHAD DULY CONVENED AND HELD AT PARAMESWARA ROOM, LEVEL 2, MINES WELLNESS HOTEL, JALAN DULANG, 43300 SERI KEMBANGAN, SELANGOR, ON WEDNESDAY, 25 JUNE 2014 AT 10.00 A.M.

Present : (1) The Board of Directors comprising:-

Dato' Ab Halim bin Mohyiddin
Ir. Lee Swee Eng
Dato' Dr Khalid bin Ngah
Dato' Adnan bin Wan Mamat
Mdm Soh Yoke Yan
Mdm Gan Siew Liat
Mr. Chew Fook Sin

- (2) 78 members (3,987,026 shares) present in person
- (3) 36 proxies (177,732,519 shares)
- (4) 70 members appointed the Chairman as their proxies (237,129,813 shares)

Invitees : (1) Terence Tan Koon Ping, Group Finance Director/Chief Financial Officer
(2) KPMG (Represented by Mr Chan Kam Chiew, Mr Ooi Eng Siong, Ms Yam Ze Ming and Ms Kong Yee Han)
(3) Bahari & Bahari (Represented by Cik Hasrina Hakimi)
(4) MIDF Amanah Investment Bank Berhad (Represented by Encik Md Harris bin Md Taib)

Chairman : Dato' Ab Halim bin Mohyiddin

Secretaries in attendance : En. Fariz bin Abdul Aziz
Ms. Lau Bee Gee

1. CALL TO ORDER

The Chairman, Dato' Ab Halim bin Mohyiddin welcomed all the members present to the 12th Annual General Meeting of the Company. Upon confirmation that a quorum was present, the Chairman then proceeded to call the Meeting to order.

2. NOTICE CONVENING THE ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting as set out in the Annual Report 2013 on pages 3 to 7 was taken as read.

3. INTRODUCTION OF BOARD MEMBERS, SECRETARIES, AUDITORS AND INVITEES

The Chairman introduced the Board members, Group Finance Director/Chief Financial Officer, Company Secretaries, Auditors from KPMG and other Invitees i.e. the legal adviser from Bahari & Bahari to the shareholders at the Meeting.

4. PRESENTATION OF AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 2013

For the first item on the Agenda, the Company presented its Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 2013 in accordance with Section 169 of the Companies Act 1965.

The Chairman informed the Meeting that the Minority Shareholder Watchdog Group (“MSWG”) had submitted written questions to the Company. En. Fariz bin Abdul Aziz, the Company Secretary, then read out the Company’s replies to those questions for the benefit of those members who were present at this Meeting. The text of the Q & As were projected onto a screen.

Thereafter, the Chairman then proceeded to answer such queries posed by members of the floor who wished to express their comments and questions on the Company’s affairs as stated in the Annual Report 2013.

A request raised by a shareholder for the Company’s Chief Executive Officer to give a presentation on the Company’s direction, plans and challenges moving forward, at future Annual General Meetings was duly noted.

5. RE-ELECTION OF DATO’ DR KHALID BIN NGAH AS DIRECTOR

Next on the agenda was the re-election of Dato’ Dr Khalid bin Ngah, who retires by rotation in accordance with Article 127 of the Company’s Articles of Association, and being eligible, offered himself for re-election.

The motion was proposed by En. Afthal Rizal bin Abdul Wahab and seconded by Ms. Wong Yean Koon; and on a vote by show of hands, the Chairman declared Ordinary Resolution 1 as unanimously carried –

ORDINARY RESOLUTION 1	“ RESOLVED THAT Dato’ Dr Khalid bin Ngah, the Director retiring at the Annual General Meeting by rotation in accordance with Article 127 of the Company’s Articles of Association, be and is hereby re-elected as Director of the Company.”
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6. RE-ELECTION OF MR CHEW FOOK SIN AS DIRECTOR

Agenda No. 2(b) was for the re-election of Mr Chew Fook Sin, who retires by rotation in accordance with Article 127 of the Company’s Articles of Association, and being eligible, offered herself for re-election.

Proposed by Ms. Tan Siok Keng and as seconded by Ms. Loh Wai Yee; and on a vote by show of hands, the Chairman declared Ordinary Resolution 2 as unanimously carried -

ORDINARY
RESOLUTION 2

“RESOLVED THAT Mr Chew Fook Sin, the Director retiring at the Annual General Meeting by rotation in accordance with Article 127 of the Company’s Articles of Association, be and is hereby re-elected as Director of the Company.”

7. RE-ELECTION OF DATO’ ADNAN BIN WAN MAMAT AS DIRECTOR

Agenda No. 3 was for the re-election of Dato’ Adnan bin Wan Mamat, who retires pursuant to Article 132 of the Company’s Articles of Association, and being eligible, offered herself for re-election.

Proposed by Mr. Chew Fun Sing and as seconded by Ms. Choy Yut Hoh; and on a vote by show of hands, the Chairman declared Ordinary Resolution 3 as unanimously carried -

ORDINARY
RESOLUTION 3

“RESOLVED THAT Dato’ Adnan bin Wan Mamat, Director retiring at the Annual General Meeting by rotation in accordance with Article 132 of the Company’s Articles of Association, be and is hereby re-elected as Director of the Company.”

8. DIRECTORS’ FEES 2013

Agenda No. 4 was to approve the payment of Directors Fees 2013.

The motion was duly proposed by Mr. Cheong Kok Ming and seconded by Ms. Vijaya a/p Pattu; and on a vote by show of hands, the Chairman declared Ordinary Resolution 4 as unanimously carried -

ORDINARY
RESOLUTION 4

“RESOLVED THAT the payment of Directors’ Fees amounting to RM852,000 for financial year ended 31 December 2013 be and is hereby approved.”

9. RE-APPOINTMENT OF AUDITORS

Agenda No. 5 was to re-appoint Messrs KPMG as Auditors for financial year ending 31 December 2014. The motion was proposed by En. Abdul Jamil bin Sulaiman and seconded by Ms. Tee Chew Lay. On a vote by show of hands, the Chairman declared Ordinary Resolution 5 as unanimously carried -

ORDINARY
RESOLUTION 5

“RESOLVED THAT the retiring Auditors, Messrs KPMG, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company at a remuneration to be determined by the Directors.”

**10. SPECIAL BUSINESS -
RETENTION OF DATO' AB HALIM BIN MOHYIDDIN AS
INDEPENDENT DIRECTOR**

Agenda No. 6 was to retain Dato' Ab Halim as an Independent Non-Executive Director of the Company and to hold office until conclusion of the next AGM.

The Chairman, Dato' Ab Halim bin Mohyiddin declared his interest and duly abstained from the deliberation of this motion. Dato' Ab Halim then handed over the Chairmanship of the meeting to Ir Lee Swee Eng to continue with the proceedings.

The motion was proposed by Ms. Lim Yoke Foong and seconded by Ms. Chu Foong Yee. On a vote by show of hands, the Chairman declared Ordinary Resolution 6 as carried after an opposing vote was noted -

ORDINARY RESOLUTION 6 **“RESOLVED THAT** in accordance with the Malaysian Code on Corporate Governance 2012, Dato' Ab Halim bin Mohyiddin, be and is hereby retained as an Independent Non-Executive Director of the Company and to hold office until conclusion of the next Annual General Meeting.”

Upon conclusion of the resolution, Ir. Lee Swee Eng thereafter, handed over the Chairmanship of the meeting and Dato' Ab Halim bin Mohyiddin then proceeded to resume and continue the meeting's proceedings as its Chairman.

**11. SPECIAL BUSINESS -
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE
COMPANIES ACT 1965**

Agenda No. 7 was to empower Directors to issue and allot shares up to 10% of Company's total issued and paid up capital.

Proposed by Ms. Wong Lay Fong and seconded by Ms. Khor Poh Ling; and on a vote by show of hands, the Chairman declared Ordinary Resolution 7 as unanimously carried -

ORDINARY RESOLUTION 7 **“RESOLVED THAT** subject to the Companies Act 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act 1965, to allot and issue shares in the Company at any time 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 and paid-up 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 Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

12. **SPECIAL BUSINESS -
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE
BUY BACK**

Agenda No. 8 was to renew shareholders' mandate obtained at last year's AGM for the Directors to buy back the shares of the Company up to 10% of the Company's total issued and paid up capital. The motion was proposed by Mr. Soong Wee Woon and seconded by Ms. Siow Yin Yin and on a vote by show of hands, Ordinary Resolution 8 was declared unanimously carried -

ORDINARY
RESOLUTION 8

“RESOLVED THAT subject to the Company's compliance with all the applicable rules, regulations, orders and guidelines made pursuant to the Companies Act 1965 (“the Act”), the Company's Memorandum and Articles of Association and Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”), approval be and is hereby given to the Company to purchase at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the interest of the Company (“Proposed Share Buy-Back Mandate”) provided that:

- i) the aggregate number of ordinary shares which may be purchased and retained as treasury shares by the Company at any point of time pursuant to the Proposed Share Buy-Back Mandate shall not exceed ten percent (10%) of the total issued and paid up share capital of the Company;
- ii) the amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back Mandate shall not exceed the retained earnings and/or share premium of the Company as at 31 December 2013; and
- iii) the shares so purchased by the Company pursuant to the Proposed Share Buy-Back Mandate may at the discretion of the Directors be :
 - (a) retained as treasury shares; and/or
 - (b) cancelled; and/or
 - (c) resold on the market of Bursa Securities in accordance to Listing Requirements; and/or
 - (d) distributed as dividends to the shareholders; and/or
 - (e) in any other manner as prescribed by the applicable rules, regulations and orders made pursuant to the Act, the Listing Requirements and any other relevant authority for the time being in force;

AND THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Share Buy-Back Mandate will continue to be in force

until the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed; or the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extensions as may be allowed pursuant to section 143(2) of the Act); or until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting, whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to implement and give effect to the Proposed Share Buy-Back Mandate.”

**13. SPECIAL BUSINESS -
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Agenda No. 9 was to empower the Directors to enter into recurrent related party transactions of a revenue or trading nature and necessary for the Group's day-to-day operations pursuant to paragraph 10.09 of the Listing Requirements and Practice Note 12.

Details of the recurrent related party transactions have been set out in section 2.4 on pages 8 to 10 of the Circular to Shareholders dated 3 June 2014.

The following major shareholders and Directors and persons connected to them declared that they would abstain from voting on the Proposed Recurrent Related Party Transactions Mandate -

1. Ir. Lee Swee Eng
2. Mdm. Gan Siew Liat
3. Mr. Chew Fook Sin
4. Inter Merger Sdn Bhd
5. Tegas Klasik Sdn Bhd
6. Asiavertek Sdn Bhd

The motion was proposed by Ms. Wee Ah Chow and seconded by Ms. Phan Nee Chin and on a vote by show of hands, Ordinary Resolution 9 was declared unanimously carried -

ORDINARY
RESOLUTION 9

“RESOLVED THAT approval be hereby given to the Company and/or its subsidiaries (“KNM Group”) to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or person connected with the Directors and/or major shareholders of KNM Group (“Related Parties”) as specified in section 2.4 of the Circular to shareholders dated 3 June 2014 provided that such arrangements and/or transactions are:

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

(hereinafter referred to as the "Proposed Recurrent RPT Mandate")

AND THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Recurrent RPT Mandate will continue to be in force until the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed; or the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act), or until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is the earlier;

AND THAT the Directors of the Company be and are hereby empowered to complete and to 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 Proposed Recurrent RPT Mandate."

14. ANY OTHER BUSINESS OF WHICH DUE NOTICE HAVE BEEN GIVEN

The Secretary confirmed that no notice to transact any other business at the Annual General Meeting had been received.

15. CONCLUSION

There being no other business to transact, the meeting ended at 10.30 a.m. and the Chairman thanked the members for their attendance.

Signed as a correct record,

Signed

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Chairman