

KNM GROUP BERHAD
521348-H
(Incorporated in Malaysia)

MINUTES

MINUTES OF THE THIRTEENTH ANNUAL GENERAL MEETING (“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, 24 JUNE 2015 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’ Sri Adnan bin Wan Mamat
Mdm Soh Yoke Yan
Mdm Gan Siew Liat
Mr. Chew Fook Sin
- (2) 118 members (9,193,421 shares) present in person
(3) 69 proxies (338,974,367 shares)
(4) 88 members appointed the Chairman as their proxies (357,526,587 shares)
- Invitees : (1) Mr. Terence Tan Koon Ping, Group Finance Director/Chief Financial Officer
(2) Messrs KPMG (Represented by Mr. Chan Kam Chiew, Ms. Yam Ze Ming and Ms. Michelle Chong)
(3) Messrs Bahari & Bahari (Represented by En. Rizal Bahari and Cik Hasrina Hakimi)
- Chairman : Dato’ Ab Halim bin Mohyiddin
- In attendance : Ms. Lau Bee Gee, Company Secretary
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1. CALL TO ORDER

The Chairman, Dato’ Ab Halim bin Mohyiddin welcomed all members present to the 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 Meeting as set out in the Annual Report 2014 on pages 3 to 7 was taken as read.

3. PRESENTATIONS ON THE DEVELOPMENT AND ACTIVITIES OF THE GROUP FOR THE PAST ONE (1) YEAR (“PRESENTATIONS”)

At the invitation of the Chairman, the Group Finance Director/Chief Financial Officer presented and briefed the shareholders on the following matters:-

- (a) Key Financial Highlights on KNM Group;
- (b) Peterborough Green Energy Project; and
- (c) Ethanol Plant Project in Thailand

The updates and presentations by the Group Finance Director/Chief Financial Officer were duly noted by the members present.

4. RECEIPT OF AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 2014

The 1st item on the Agenda was to receive the Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 2014.

Before the Chairman proceeded with the 1st item on the Agenda, the Chairman informed the Meeting that the Company had received written questions to be raised at the Meeting from Minority Shareholder Watchdog Group (“MSWG”). He then read out MSWG’s questions and the Company’s replies in respect thereto (which were projected on to a screen) for the benefit of those members who were present at the Meeting.

Thereafter, the Chairman, Chief Executive Officer/Executive Director and Group Finance Director/Chief Financial Officer of the Company proceeded to answer such queries posed by the members of the floor who wished to express their comments and questions on the Company’s affairs as stated in the Annual Report 2014.

A proposal from a shareholder to include the photos of the Board of Directors in the Company’s annual report was duly noted.

As no further questions were raised, the first item on the Agenda was unanimously received by the members.

5. RE-ELECTION OF IR LEE SWEE ENG AS DIRECTOR

Next item on the Agenda was to re-elect Ir Lee Swee Eng, 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 Ms. Tan Siok Keng and seconded by Ms. Wong Yean Koon; and on a vote by show of hands, the Chairman declared Ordinary Resolution 1 as carried—

ORDINARY RESOLUTION 1 **“RESOLVED THAT** Ir Lee Swee Eng, a 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.”

6. RE-ELECTION OF MADAM SOH YOKE YAN AS DIRECTOR

The item no. 2(b) on the Agenda was to re-elect Madam Soh Yoke Yan, who retires by rotation in accordance with Article 127 of the Company’s Articles of Association, and being eligible, offered herself for re-election.

The motion was proposed by Ms. Hiew Nyet Hoong and seconded by Ms. Loh Wai Yee; and on a vote by show of hands, the Chairman declared Ordinary Resolution 2 as carried –

ORDINARY RESOLUTION 2 **“RESOLVED THAT** Madam Soh Yoke Yan, a 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. DIRECTORS’ FEES 2014

Item no. 3 on the Agenda was to approve the payment of Directors Fees 2014.

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

ORDINARY RESOLUTION 3 **“RESOLVED THAT** the payment of Directors’ Fees amounting to RM1,019,000 for financial year ended 31 December 2014 be and is hereby approved.”

8. RE-APPOINTMENT OF AUDITORS

Item no. 4 on the Agenda was to re-appoint Messrs KPMG as Auditors for financial year ending 31 December 2015.

The motion was proposed by Mr. Cheong Kok Ming and seconded by Cik Aldamier Hadjikan. On a vote by show of hands, the Chairman declared Ordinary Resolution 4 as carried -

ORDINARY RESOLUTION 4 **“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.”

**9. SPECIAL BUSINESS -
RETENTION OF DATO’ AB HALIM BIN MOHYIDDIN AS INDEPENDENT DIRECTOR**

Item no. 5 on the Agenda 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. Chong Huei Ming and seconded by Ms. Phua Chee Ling. On a vote by show of hands, the Chairman declared Ordinary Resolution 5 as carried -

ORDINARY RESOLUTION 5 **“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.

10. SPECIAL BUSINESS -

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965

Item no. 6 on the Agenda was to empower Directors to issue and allot shares up to 10% of Company's total issued and paid up capital.

The motion was proposed by Ms. Wong Lay Fong and seconded by Ms. Sia Lay Sze; and on a vote by show of hands, the Chairman declared Ordinary Resolution 6 as carried -

ORDINARY RESOLUTION 6 **"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."

11. SPECIAL BUSINESS -

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY BACK

Item no. 7 on the Agenda 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. Tee Chew Lay; and on a vote by show of hands, the Chairman declared Ordinary Resolution 7 as carried -

ORDINARY RESOLUTION 7 **"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 2014; 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.”

12. SPECIAL BUSINESS -

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RECURRENT RPTS”)

Item no. 8 on the Agenda was to empower the Directors to enter into Recurrent RPTs which are 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 RPTs have been set out in section 2.4 on pages 8 to 10 of the Circular to Shareholders dated 29 May 2015.

The following major shareholders and Directors and persons connected with them declared that they would abstain from voting on the Proposed Recurrent RPTs 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. Francisco Ma Laouryes Liwanag and seconded by Ms. Phan Nee Chin; and on a vote by show of hands, the Chairman declared Ordinary Resolution 8 as carried -

ORDINARY
RESOLUTION 8

“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 29 May 2015 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,

AND THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Recurrent RPTs 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 RPTs Mandate.”

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

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

14. CONCLUSION

There being no other business to transact, the meeting ended at 11.30 a.m. and the Chairman thanked the members for their attendance.

Signed as a correct record,

Signed

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Chairman