

KNM GROUP BERHAD
521348-H
(Incorporated in Malaysia)

MINUTES

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING (“MEETING”) OF KNM GROUP BERHAD DULY CONVENED AND HELD AT PARAMESWARA ROOM, LEVEL 2, PHILEA MINES BEACH RESORT, JALAN DULANG, MINES RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR DARUL EHSAN, ON THURSDAY, 16 JUNE 2016 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
- (2) 107 members (6,861,362 shares) present in person
(3) 63 proxies (380,975,413 shares)
(4) 101 members appointed the Chairman as their proxies (373,203,141 shares)
- Invitees : (1) Mr. Terence Tan Koon Ping, Group Finance Director/Chief Financial Officer
(2) Messrs KPMG (Represented by Mr. Tai Yoon Foo)
Messrs Bahari & Bahari (Represented by Cik Nurul Fadzlinda Ibrahim)
(3) Messrs Symphony CorporateHouse Sdn Bhd (Represented by Ms. Ivy Leong,
Ms. Tee Wan Ting, Cik Norhidayah Md Salleh and Encik Amzar Iman)
- Chairman : Dato’ Ab Halim bin Mohyiddin
- Absent with : Mr. Chew Fook Sin
apologies
- 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 2015 on pages 3 to 8 was taken as read.

3. RECEIPT OF AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 2015

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 2015.

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 the Minority Shareholder Watchdog Group (“MSWG”). He then read out MSWG’s questions with the assistance of the Group Finance Director/Chief Financial Officer (“Group FD/CFO”) in replying to the questions in respect thereto (which were projected on to a screen) for the benefit of those members who were present at the Meeting.

At the invitation of the Chairman, the Group Chief Executive Officer/Executive Director (“Group CEO/ED”) presented and briefed the shareholders on the following matters:-

- (a) Peterborough Green Energy Project; and
- (b) Bio-Ethanol Plant Project in Thailand

The updates and presentations by the Group CEO/ED were duly noted by the members present.

Thereafter, the Chairman, Group CEO/ED and Group FD/CFO of the Company proceeded to answer such queries posed by members of the floor who had expressed their concerns, comments and queries on the above Projects and the Company’s affairs or financial performance as stated in the Annual Report 2015.

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

After the above briefings and Q&A session with the shareholders present have ended, the first item on the Agenda was unanimously received by the members.

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

Next item on the Agenda was to re-elect 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 Mr. Yeo Seng Song @ Yeo Sing Song and seconded by Mr. Chan Hiew Mun; and on a vote by show of hands, the Chairman declared Ordinary Resolution 1 as carried—

ORDINARY RESOLUTION 1	“RESOLVED THAT Dato’ Dr Khalid bin Ngah, 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.”
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5. RE-ELECTION OF MADAM GAN SIEW LIAT AS DIRECTOR

The item no. 2(b) on the Agenda was to re-elect Madam Gan Siew Liat, 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 Mr. Chan Hiew Mun and seconded by Mr. Yeo Seng Song @ Yeo Sing Song; and on a vote by show of hands, the Chairman declared Ordinary Resolution 2 as carried —

ORDINARY RESOLUTION 2 **“RESOLVED THAT** Madam Gan Siew Liat, 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-APPOINTMENT OF DATO’ AB HALIM BIN MOHYIDDIN AS DIRECTOR

Item no. 3 on the Agenda was to re-appoint Dato’ Ab Halim bin Mohyiddin, who is over the age of seventy (70) and retiring in accordance with Section 129 of the Companies Act, 1965, as Director of the Company and to hold office until the conclusion of the next Annual General Meeting (“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. Hiew Nyet Hoong and seconded by Ms. Loh Wai Yee. On a vote by show of hands, the Chairman declared Ordinary Resolution 3 as carried -

ORDINARY RESOLUTION 3 **“RESOLVED THAT** in accordance with Section 129 of the Companies Act, 1965, Dato’ Ab Halim bin Mohyiddin, be and is hereby re-appointed as a 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.

7. DIRECTORS’ FEES 2015

Item no. 4 on the Agenda was to approve the payment of Directors Fees 2015.

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 4 as carried -

ORDINARY RESOLUTION 4 **“RESOLVED THAT** the payment of Directors’ Fees amounting to RM1,177,000 for financial year ended 31 December 2015 be and is hereby approved.”

8. RE-APPOINTMENT OF AUDITORS

Item no. 5 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 Noor Zamshila Bt. Sukiman. On a vote by show of hands, the Chairman declared Ordinary Resolution 5 as 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.”

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

Item no. 6 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 En. Mohd Lutfi bin Zulkifli and seconded by Cik Robiah binti Muhamad Sathpar. On a vote by show of hands, the Chairman declared Ordinary Resolution 6 as carried -

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.

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

Item no. 7 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 Mr. Chan Hiew Mun and seconded by Ms. Sia Lay Sze; and on a vote by show of hands, the Chairman declared Ordinary Resolution 7 as 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.”

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

Item no. 8 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 8 as 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 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. 9 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 April 2016.

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. Wee Ah Chow; and on a vote by show of hands, the Chairman declared Ordinary Resolution 9 as 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 29 April 2016 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 11.55 a.m. and the Chairman thanked the members for their attendance.

Signed as a correct record,

Signed
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Chairman