

KNM GROUP BERHAD
521348-H
(Incorporated in Malaysia)

MINUTES

MINUTES OF THE FIFTEENTH 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, 15 JUNE 2017 AT 9.30 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) 79 members (5,255,181 shares) present in person
(3) 50 proxies (327,727,075 shares)
(4) 57 members appointed the Chairman as their proxies (146,491,621 shares)
- Invitees : (1) Mr. Terence Tan Koon Ping, Group Finance Director/Chief Financial Officer
(2) Messrs KPMG (Represented by Mr. Tai Yoon Foo, Ms. Yam ZeMing and Ms. Thong Mei Yue)
(3) Messrs Bahari & Bahari (Represented by Cik Nur Aini Atiqah Abdul Aziz)
(4) Messrs Symphony Share Registrars Sdn Bhd (Represented by Encik Aznal bin Abd Majid, Encik Azman bin Mohd Ali, Encik Khairul Iqram Zainal Abidin, Ms. Ng Chai Lain, Encik Zulkernaen bin Abdul Samad, Encik Abd Halim bin Mat Saad, Encik Abd Mukti bin Hafizuddin, Encik Khairul Affi bin Mohamad, Cik Farah Amirah binti Rahmad and Encik Marjohan bin Jansur)
(5) Messrs Symphony CorporateHouse Sdn Bhd (Represented by Ms. Ivy Leong Shiak Wan, Cik Norhidayah binti Md Salleh, Ms. Tee Wan Ting, Cik Nor Ainzam binti Ahmad, Ms. Low Jun Sim and Cik Noramirah Soraya binti Zainal Abidin)
- 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 2016 on pages 3 to 7 was taken as read.

3. INTRODUCTION OF BOARD MEMBERS, SECRETARIES AND ADVISERS

Dato' Chairman introduced the Board members, the Chief Financial Officer, Company Secretary and other Invitees i.e. the Company's Audit Engagement Partner from Messrs KPMG and legal adviser from Messrs Bahari & Bahari, to the shareholders at the Meeting.

4. MEETING PROCEDURES

Dato' Chairman confirmed that eight (8) Ordinary Resolutions would be tabled before the shareholders during this AGM, and in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements, voting would be decided by poll for every shares held by the members present, including his/her representative or proxy duly appointed.

It was noted that Symphony Share Registrars Sdn Bhd ("Symphony") has been appointed to act as the Poll Administrator to conduct the e-polling process and Symphony Corporatehouse Sdn Bhd ("Symphony Corporatehouse") as the Independent Scrutineers to verify the poll results.

The Chairman declared that voting for all the Resolutions by poll would be carried out accordingly after all items to be transacted at the AGM have been discussed. The Chairman then proceeded with the meeting.

5. RECEIPT OF AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 2016

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 2016.

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"). Mr. Tan Koon Ping, the Chief Financial Officer, 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 the meeting screen for everyone present to see or read.

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

- (a) Peterborough Green Energy Project in United Kingdom ("PGE Project"); and
- (b) Bio-Ethanol Plant Project in Thailand ("IEL Project").

The updates and presentations by the Group CEO/ED were duly noted by the members present and before the following resolutions were put to the Meeting, the floor was opened to the members for their comments and views.

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 2016.

Members' queries, comments and criticisms highlighted other various issues/subjects including *inter alia*, the following matters raised:-

- the recognition of results from IEL Project;
- whether Bank Negara Malaysia's approval has been obtained for the PGE Project;
- the level of compliance with the new accounting standards in KNM's financial statements;
- reasons for the delay in the plant's commissioning for the PGE Project; and
- the shareholders' concern over the Company's future in view of the continuous downtrend in its share prices and losses shown in its financial statements despite substantial amounts being invested in certain business ventures.

The queries above were duly noted. The Chairman frankly replied and gave such reasons/explanations wherever required, to the members present. The Group CEO/ED and Group FD/CFO were at hand to assist the Chairman in answering the same and gave appropriate replies to the queries and comments raised by them in the Meeting.

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.

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

The Chairman informed that all the resolutions for Agenda 2 to 8 will be voted via e-polling effective from this year onwards. Hence, the proposers and seconders to each of the motions presented will be gathered first before e-polling commences thereafter.

**6. ORDINARY RESOLUTION 1 -
RE-ELECTION OF DATO' SRI ADNAN BIN WAN MAMAT AS DIRECTOR**

Next item on the Agenda was to re-elect Dato' Sri Adnan bin Wan Mamat, 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 duly proposed by Ms. Wong Lay Fong and seconded by Ms. Sia Lay Sze.

**7. ORDINARY RESOLUTION 2 -
RE-ELECTION OF MR. CHEW FOOK SIN AS DIRECTOR**

The item no. 2(b) on the Agenda was to re-elect Mr. Chew Fook Sin, 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 duly proposed by Ms. Chong Huei Ming and seconded by Ms. Loh Wai Yee.

**8. ORDINARY RESOLUTION 3 -
DIRECTORS' FEES AND BENEFITS 2016**

Item no. 3 on the Agenda was to approve the payment of Directors Fees and Benefits of RM1,330,000 for the financial year ended 31 December 2016.

The motion was duly proposed by Mr. Cheong Kok Ming and seconded by Ms. Choy Yut Hoh.

**9. ORDINARY RESOLUTION 4 -
RE-APPOINTMENT OF AUDITORS**

Item no. 4 on the Agenda was to re-appoint Messrs KPMG PLT (converted from a conventional partnership, KPMG, on 27 December 2016) as Auditors of the Company and to authorise the Directors to fix their remuneration.

The motion was duly proposed by Ms. Lai See Mee and seconded by Cik Noor Zamshila Bt. Sukiman.

**10. SPECIAL BUSINESS – ORDINARY RESOLUTION 5 -
RETENTION OF DATO’ AB HALIM BIN MOHYIDDIN AS INDEPENDENT
DIRECTOR**

Item no. 5 on the Agenda was to retain Dato’ Ab Halim bin Mohyiddin as 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 duly proposed by Ms. Wee Ah Chow and seconded by Cik Robiah binti Muhamad Sathpar.

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 – ORDINARY RESOLUTION 6 -
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE
COMPANIES ACT, 2016**

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

The motion was duly proposed by Mr. Wong Toh Sing and seconded by Cik Rosmiza Md Isa.

**12. SPECIAL BUSINESS – ORDINARY RESOLUTION 7 -
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 duly proposed by Mr. Soong Wee Woon and seconded by Ms. Kuan Bee Yen.

**13. SPECIAL BUSINESS – ORDINARY RESOLUTION 8 -
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 28 April 2017.

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 duly proposed by Ms. Francisco MA Lourdes Liwanang and seconded by Encik Ahmad Johan Abu Kasim.

14. 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.

Thereafter, the Chairman further proceeded to request for an e-polling to be carried out by Symphony on all the resolutions to be tabled at the meeting, in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

15. VOTING BY E-POLLING

A 30-minute break was then declared by the Chairman to facilitate the e-polling for all the above eight (8) proposed ordinary resolutions to be voted upon at the meeting. Members were briefed by the Poll Administrator, Encik Aznal Abdul Majid from Symphony on the e-polling procedures and Representatives from Symphony assisted with the voting process; whilst Representatives from Symphony Corporatehouse, the Independent Scrutineers were present to monitor the e-polling process.

The meeting was accordingly stood down at 10.30 a.m. and shareholders/proxies proceeded to cast their votes by way of e-polling. Thereafter, the results of the e-polling were checked, verified and confirmed by the Independent Scrutineers and announced about half an hour later, as follows:-

	Ordinary Resolution 1		Ordinary Resolution 2		Ordinary Resolution 3	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
In Favour	490,112,313	99.9472	490,112,313	99.9472	487,016,763	99.316
Against	258,700	0.0528	258,700	0.0528	3,354,250	0.684
Total	490,371,013	100.0000	490,371,013	100.0000	490,371,013	100.000
Abstention	-	-	-	-	-	-

	Ordinary Resolution 4		Ordinary Resolution 5		Ordinary Resolution 6	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
In Favour	490,167,088	99.9584	483,978,713	98.6964	490,173,113	99.9596
Against	203,925	0.0416	6,392,300	1.3036	197,900	0.0404
Total	490,371,013	100.0000	490,371,013	100.0000	490,371,013	100.0000
Abstention	-	-	-	-	-	-

	Ordinary Resolution 7		Ordinary Resolution 8	
	No. of Shares	%	No. of Shares	%
In Favour	490,173,113	99.9596	155,127,526	99.8726
Against	197,900	0.0404	197,900	0.1274
Total	490,371,013	100.0000	155,325,426	100.0000
Abstention	-	-	335,045,587	68.3249

With the requisite majorities for passing of all the eight (8) ordinary resolutions having been attained, the following resolutions were then declared as carried:-

ORDINARY RESOLUTION 1 **“RESOLVED THAT** Dato’ Sri Adnan bin Wan Mamat, 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.”

ORDINARY RESOLUTION 2 **“RESOLVED THAT** Mr. Chew Fook Sin, 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.”

ORDINARY RESOLUTION 3 **“RESOLVED THAT** the payment of Directors’ Fees and Benefits amounting to RMI,330,000 for financial year ended 31 December 2016 be and is hereby approved. ”

ORDINARY RESOLUTION 4 **“RESOLVED THAT** the retiring Auditors, Messrs KPMG PLT, Chartered Accountants, (converted from a conventional partnership, KPMG, on 27 December 2016) be and are hereby re-appointed as Auditors of the Company at a remuneration to be determined by the Directors.”

SPECIAL BUSINESS - 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.”

SPECIAL BUSINESS - ORDINARY RESOLUTION 6 **“RESOLVED THAT** subject to the Companies Act, 2016 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Section 75 of the Companies Act, 2016, 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.”

SPECIAL
BUSINESS -
ORDINARY
RESOLUTION 7

“RESOLVED THAT subject to the compliance with all applicable laws, the Companies Act, 2016 (“the Act”), the Company’s Memorandum and Articles of Association, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad (“Bursa Securities”) and/or any other relevant regulatory authority, approval be and is hereby given to the Company to purchase at any time such amount of ordinary shares 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 of the Company as at 31 December 2016; 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 the Main Market Listing Requirements; and/or
 - (d) distributed as dividends to the shareholders; and/or
 - (e) transferred for purposes of an employees’ share scheme and/or as purchase consideration; and/or
 - (f) dealt in any other manner as prescribed by the applicable rules, regulations and orders made pursuant to the Act, the Bursa Securities Main Market 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 340(2) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 340(4) 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.”

SPECIAL
BUSINESS -
ORDINARY
RESOLUTION 8

“**RESOLVED THAT** approval be and is 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 persons 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 28 April 2017 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 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 340(2) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 340(4) 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.”

16. CONCLUSION

There being no other business to transact, the meeting ended at 11.05 a.m. and the Chairman thanked the members for their attendance.

Signed as a correct record,

Signed

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Chairman