

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 19th Annual General Meeting of KNM Group Berhad to be conducted fully virtual via remote participation and electronic voting (RPEV) with the live streaming to be broadcasted from Auditorium, 3A Floor, Menara Symphony, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 29 June 2021 at 10.00 a.m. for the following purposes

## As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Reports of the Directors and Auditors. ***Please refer to Note (i)***
2. To re-elect the following Directors who retire pursuant to Clause 113 of the Company's Constitution:
  - (a) Dato' Ab Halim Bin Mohyiddin ***Ordinary Resolution 1***
  - (b) Madam Gan Siew Liat ***Ordinary Resolution 2***
3. To re-elect the following Director who retires pursuant to Clause 112 of the Company's Constitution:
  - (a) En Mohd Rizal Bahari Bin Md Noor ***Ordinary Resolution 3***
4. To approve the Directors' fees and benefits of RM1,271,173.40 for the financial year ended 31 December 2020. ***Ordinary Resolution 4***
5. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

## As Special Business:

To consider and if thought fit, to pass with or without modifications, the following Resolutions:

6. **Retention of Dato' Dr Khalid Bin Ngah as Independent Director** ***Ordinary Resolution 6***

"**THAT** Dato' Dr Khalid Bin Ngah be and is hereby retained as an Independent Director of the Company and to hold office until the conclusion of the next Annual General Meeting."
7. **Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016** ***Ordinary Resolution 7***

"**THAT** subject to the Companies Act 2016 and Constitution 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 twenty percent (20%) of the total number of issued shares 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."

NOTICE OF  
ANNUAL GENERAL MEETING  
(CONT'D)

8. **Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

**Ordinary Resolution 8**

"**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 31 May 2021 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."

9. **Proposed allocation of ESOS Options to Mr Tan Koon Ping**

**Ordinary Resolution 9**

**THAT** approval be and is hereby given for the Company to offer and to allocate to Mr Tan Koon Ping, being the Group Chief Executive Officer/Executive Director of the Company, options to subscribe for such number of ordinary shares of the Company under the Company's ESOS PROVIDED THAT not more than 10% of the new ordinary shares of the Company available under the Company's ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares);

AND subject always to such terms and conditions of the Company's ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By Laws governing and constituting the Company's ESOS.

NOTICE OF  
ANNUAL GENERAL MEETING  
(CONT'D)

10. **Proposed allocation of ESOS Options to En Mohd Rizal Bahari Bin Md Noor** *Ordinary Resolution 10*

**THAT** approval be and is hereby given for the Company to offer and to allocate to En Mohd Rizal Bahari Bin Md Noor, being a Non-Independent Non-Executive Director of the Company, options to subscribe for such number of ordinary shares of the Company under the Company's ESOS PROVIDED THAT not more than 10% of the new ordinary shares of the Company available under the Company's ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares);

AND subject always to such terms and conditions of the Company's ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By Laws governing and constituting the Company's ESOS.

11. To transact any other business of which due notice shall have been given.

By Order of the Board

**Hani Syamira Binti Abdul Hamid (SSM PC No. 201908003098) (LS 0009872)**

Company Secretary  
Seri Kembangan  
31 May 2021

**Notes:-**

- (i) This Agenda item is meant for discussion only and is not to be put forward for voting as the provision of Section 340(1) of the Companies Act 2016 does not require formal approval of the shareholders.
- (ii) A proxy may but need not be a member of the Company.
- (iii) A member shall not, subject to paragraph (iv) below, be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) To be valid, the duly completed form of proxy must be deposited at the registered office of the Company at 15 Jalan Dagang SB 4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof. Alternatively, the Proxy Form can also be lodged electronically via "Boardroom Smart Investor Portal" at <https://boardroomlimited.my> not less than twenty-four (24) hours before the time appointed for holding the meeting. Kindly refer to the procedure for Electronic Lodgement of Form of Proxy from the Administration Notes for the AGM.
- (vi) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
- (vii) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 June 2021 shall be eligible to attend the meeting or appoint proxies to attend and vote in his/her stead.
- (viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 19th Annual General Meeting will be put to vote by way of poll.

NOTICE OF  
ANNUAL GENERAL MEETING  
(CONT'D)

**EXPLANATORY NOTES ON SPECIAL BUSINESS**

1. Retention of Dato' Dr Khalid Bin Ngah as Independent Director

In respect of the proposed Ordinary Resolution 5:-

Dato' Dr Khalid Bin Ngah ("Dato' Dr Khalid") was appointed as an Independent Non-Executive Director on 19 August 2011 and was subsequently designated as a Senior Independent Non-Executive Director on 29 April 2013.

Although he has exceeded the cumulative term limit of nine (9) years as an Independent Director as prescribed by the Malaysian Code on Corporate Governance 2017, the Nomination Committee and the Board of Directors ("the Board"), after having assessed the independence of Dato' Dr Khalid, considers him to be independent based on the following justifications and recommends that Dato' Dr Khalid be retained as an Independent Director of the Company in respect of Ordinary Resolution 5:-

- (a) He has confirmed and declared that he is an Independent Non-Executive Director as defined under Paragraph 1.01 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements;
- (b) He is not related to any of the Company's directors or major shareholders;
- (c) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (d) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
- (e) His experience and knowledge of the Company and KNM Group's activities and corporate history is invaluable to the Board. The Board is also of the view that his impartial opinion and advice in his role as the Chairman of Remuneration Committee and ESOS Committee will also be beneficial to the Board and the Company.

2. Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016

- (a) The shareholders' general mandate sought under the proposed Ordinary Resolution 6 is a renewal of the relevant shareholders' general mandate obtained in the previous Company's 18th Annual General Meeting held on 13 August 2020 ("Previous Mandate") and such authority will lapse at the conclusion of the forthcoming 19th Annual General Meeting to be held on 29 June 2021.
- (b) In order to eliminate any delay and costs involved in convening a general meeting to approve such issuance of shares, and to give flexibility and expediency to the Company to allot and issue shares, it is considered appropriate that the Directors be empowered, as proposed in Ordinary Resolution 6, if passed, to allot and issue up to twenty percent (20%) of the total number of issued shares of the Company for the time being by 31 December 2021, for such purposes as the Directors deem fit and in the best interest of the Company and after that the ten percent (10%) limit under paragraph 6.03(1) of the Main Market List Requirements will be reinstated pursuant to a directive letter dated 16 April 2020 issued by Bursa Malaysia Securities Berhad. This authority, unless revoked at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.
- (c) The Board continues to consider any opportunities to broaden the operating base and earnings potential of the Company. If any fund raising or merger and acquisition or expansion or diversification proposals, as the case may be, involve the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares.

3. Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature

The proposed Ordinary Resolution 8, if passed, will allow KNM Group to enter into recurrent transactions involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of KNM Group, which are of a revenue or trading nature and necessary for KNM Group's day-to-day operations.

Further information on the Proposed Recurrent RPT Mandate are set out in the Circular to Shareholders dated 31 May 2021 which can be viewed and downloaded from the Company's website at [www.knm-group.com](http://www.knm-group.com).

NOTICE OF  
ANNUAL GENERAL MEETING  
(CONT'D)

4. Proposed allocation of ESOS Options to Mr Tan Koon Ping

The proposed Ordinary Resolution 9, if passed, will allow the Board at any time and from time to time during the existence of the ESOS Scheme, to offer and allocate to Mr Tan Koon Ping, being the Group Chief Executive Officer/Executive Director of the Company, the options to subscribe for such number of shares to be issued under the ESOS Scheme subject always to the following:

- a. he must not participate in the deliberation or discussion of his own allocation to be issued under the ESOS Scheme; and
- b. not more than 10% of the total number of shares to be issued under the ESOS Scheme shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued Shares (excluding treasury shares) of the Company, provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the ESOS Scheme.

5. Proposed allocation of ESOS Options to En Mohd Rizal Bahari Bin Md Noor

The proposed Ordinary Resolution 10, if passed, will allow the Board at any time and from time to time during the existence of the ESOS Scheme, to offer and allocate to En Mohd Rizal Bahari Bin Md Noor, being a Non-Independent Non-Executive Director of the Company, the options to subscribe for such number of shares to be issued under the ESOS Scheme subject always to the following:

- a. he must not participate in the deliberation or discussion of his own allocation to be issued under the ESOS Scheme; and
- b. not more than 10% of the total number of shares to be issued under the ESOS Scheme shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued Shares (excluding treasury shares) of the Company, provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the ESOS Scheme.”

**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

1. Details of persons who are standing for election as Directors

There is no individual seeking election as a Director at the 19th Annual General Meeting of the Company pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities.

2. Ordinary resolution on authority to Directors to allot and issue shares

Details of the authority to Directors to allot and issue shares in the Company pursuant to Section 75 of the Companies Act 2016 are stated in the Explanatory Note 1 of the Notice of Annual General Meeting.