

## **GENERAL MEETINGS: Notice of Meeting**

KNM GROUP BERHAD

Type of Meeting	Annual General Meeting
Indicator	Notice of Meeting
Description	KNM GROUP BERHAD - FOURTEENTH (14TH) ANNUAL GENERAL MEETING
Date of Meeting	16 Jun 2016
Time	10:00 AM
Venue	Parameswara Room, Level 2, Philea Mines Beach Resort, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia
Date of General Meeting Record of Depositors	10 Jun 2016

Please refer attachment below.

### **Attachments**

[KNM - Notice of AGM 2016.pdf](#)

135.5 kB



**NOTICE IS HEREBY GIVEN THAT** the 14<sup>th</sup> Annual General Meeting of KNM Group Berhad will be held at Parameswara Room, Level 2, Philea Mines Beach Resort, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Thursday, 16 June 2016 at 10.00 a.m. for the following purposes:

**As Ordinary Business:**

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors (Please refer to note (i)).
- To re-elect the following Directors who retire pursuant to Article 127 of the Company's Articles of Association:
  - Dato' Dr Khalid bin Ngah
  - Gan Siew Liat

**Ordinary Resolution 1**  
**Ordinary Resolution 2**
- To pass the following resolution pursuant to Section 129 of the Companies Act, 1965 as Ordinary Resolution:
 

**Ordinary Resolution 3**

**"THAT** Dato' Ab Halim bin Mohyiddin who is over the age of seventy years and retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting."
- To approve the Directors' fees of RM1,177,000 for the financial year ended 31 December 2015. **Ordinary Resolution 4**
- To re-appoint Messrs KPMG 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:

- Retention of Dato' Ab Halim bin Mohyiddin as Independent Director** **Ordinary Resolution 6**  

**"THAT** in accordance with the Malaysian Code on Corporate Governance 2012 ("MCCG 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 the conclusion of the next Annual General Meeting."
- Authority to allot shares pursuant to Section 132D of the Companies Act, 1965** **Ordinary Resolution 7**  

**"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."

- Proposed renewal of shareholders' mandate for share buy-back** **Ordinary Resolution 8**  

**"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:

  - 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;
  - 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 2015; and
  - the shares so purchased by the Company pursuant to the Proposed Share Buy-Back Mandate may at the discretion of the Directors be:
    - retained as treasury shares; and/or
    - cancelled; and/or
    - resold on the market of Bursa Securities in accordance to the Listing Requirements; and/or
    - distributed as dividends to the shareholders; and/or
    - dealt 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."

- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature** **Ordinary Resolution 9**  

**"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 29 April 2016 provided that such arrangements and/or transactions are:

  - recurrent transactions of a revenue or trading nature;
  - necessary for the day-to-day operations;
  - 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
  - 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 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."
- To transact any other business of which due notice shall have been given.

By Order of the Board

**Lau Bee Gee** (MAICSA 0817743)  
Company Secretary  
Seri Kembangan  
29 April 2016

**Notes:**

- This Agenda item is meant for discussion only and is not to be put forward for voting as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders.
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- 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.
- 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.
- 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 forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
- 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.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 June 2016 shall be eligible to attend the Meeting or appoint proxies to attend and vote in his/her stead.

**EXPLANATORY NOTES ON SPECIAL BUSINESS**

- Retention of Dato' Ab Halim bin Mohyiddin as Independent Director**  
 In respect of the proposed Ordinary Resolution 6:-  
 Dato' Ab Halim bin Mohyiddin ("Dato' Ab Halim") was appointed as an Independent Non-Executive Director on 14 June 2003 and was subsequently designated as a Senior Independent Non-Executive Director on 29 June 2011. Thereafter, he was re-designated as the Chairman of the Company on 29 April 2013.  
 Although he has exceeded the maximum tenure of nine (9) years as an Independent Director as prescribed by the MCCG 2012, the Board, after having assessed the independence of Dato' Ab Halim, considers him to be independent based on the following justifications and recommends that Dato' Ab Halim be retained as an Independent Non-Executive Director of the Company in respect of Ordinary Resolution 6:-
  - 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;
  - He is not related to any of the Company's directors or major shareholders;
  - 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;
  - 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
  - His experience and knowledge of the Company and the 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 Company's Chairman and Chairman of the Company's Audit and Nomination Committees will be beneficial to the Board and the Company too.
- Authority to allot shares pursuant to Section 132D of the Companies Act, 1965**  
 (a) The shareholders' general mandate sought under the proposed Ordinary Resolution 7 is a renewal of the relevant shareholders' general mandate obtained in the previous Company's 13<sup>th</sup> Annual General Meeting held on 24 June 2015 ("Previous Mandate") and such authority will lapse at the conclusion of the forthcoming 14<sup>th</sup> Annual General Meeting to be held on 16 June 2016.  
 (b) In order to eliminate any delay and costs involved in convening a general meeting to approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed in Ordinary Resolution 7, if passed, will give flexibility and expediency to the Company to allot and issue up to ten percent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.  
 (c) Pursuant to the Previous Mandate, the Company has issued 193,893,700 new ordinary shares of RM0.50 each in the Company ("Placement Shares"), representing approximately ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) at an issue price of RM0.50 per share via a Private Placement Exercise involving the new issue of shares as previously announced on 21 October 2015 (the "Exercise"). The gross proceeds raised pursuant to the Exercise has been utilised as follows:-

Purpose	Utilisation (RM'000)
Repayment of borrowings	46,364
Working capital	47,908
Defray expenses relating to the Exercise	2,675
<b>Total</b>	<b>96,947</b>

- 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.
- Proposed renewal of shareholders' mandate for share buy-back**  
 The proposed Ordinary Resolution 8, if passed, will renew the shareholders' mandate for share buy-back obtained at the previous Company's 13<sup>th</sup> Annual General Meeting held on 24 June 2015 and empower the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company.
- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature**  
 The proposed Ordinary Resolution 9, if passed, will allow the 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 the Group's day-to-day operations.

Further information on the Proposed Share Buy-Back Mandate and the Proposed Recurrent RPT Mandate are set out in the Statement/Circular to Shareholders dated 29 April 2016 which is despatched together with the Company's Annual Report 2015.