

GENERAL MEETINGS: Notice of Meeting

KNM GROUP BERHAD

Type of Meeting	Annual General Meeting
Indicator	Notice of Meeting
Description	KNM GROUP BERHAD - SEVENTEENTH (17TH) ANNUAL GENERAL MEETING
Date of Meeting	19 Jun 2019
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	12 Jun 2019

Please refer attachment below.

Attachments

[KNM Group Bhd - 17th AGM Notice \(final\).pdf](#)

78.5 kB



NOTICE IS HEREBY GIVEN that the 17th 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 Wednesday, 19 June 2019 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 2018 and the Reports of the Directors and Auditors (Please refer to note (i)).
2. To re-elect the following Directors who retire pursuant to Article 127 of the Company's Constitution:
 - (a) Dato' Ab Halim bin Mohyiddin
 - (b) Gan Siew Liat
3. To approve the Directors' fees and benefits of RM1,161,782 for the financial year ended 31 December 2018.
4. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

*Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3
Ordinary Resolution 4*

As Special Business:

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

5. Retention of Dato' Ab Halim bin Mohyiddin as Independent Director

"THAT Dato' Ab Halim bin Mohyiddin 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."

Ordinary Resolution 5

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

"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 ten percent (10%) 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."

Ordinary Resolution 6

7. Proposed renewal of shareholders' mandate for share buy-back

"THAT subject to the compliance with all applicable laws, the Companies Act 2016 ("the Act"), the Company's Constitution, 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 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 number of issued shares 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 2018; 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;

Ordinary Resolution 7

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 occur 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."

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

"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 30 April 2019 provided that such arrangements and/or transactions are:

Ordinary Resolution 8

- (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 Adoption of New Constitution of the Company

Special Resolution

"THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in the Appendix A with immediate effect and that the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

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

By Order of the Board

Jason Minos Anak Peter (LS 0009402)
Company Secretary
Seri Kembangan
30 April 2019

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 a 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 the proxies specify the precise 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 Dangau 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.
- (vi) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor 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 12 June 2019 shall be eligible to attend the meeting or appoint proxies to attend and vote in his/her
- (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 17th Annual General Meeting will be put to vote by way of poll.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Retention of Dato' Ab Halim bin Mohyiddin as Independent Director

In respect of the proposed Ordinary Resolution 5:-

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 Chairman of the Company 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' Ab Halim, considers him to be independent based on the following justifications and recommends that Dato' Ab Halim 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 Company's Chairman and Chairman of the Company's Audit and Nomination Committees will be beneficial to the Board and the Company too.

Shareholders' approval for Ordinary Resolution 5 will be sought on a single-tier voting basis.

The proposed Ordinary Resolution 5 will become null and void if motion for the Proposed Ordinary Resolution 1 is not carried.

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 16th Annual General Meeting held on 27 June 2018 ("Previous Mandate") and such authority will lapse at the conclusion of the forthcoming 17th Annual General Meeting to be held on 19 June 2019.

(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 ten percent (10%) of the total number of issued shares 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) 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 renewal of shareholders' mandate for share buy-back

The proposed Ordinary Resolution 7, if passed, will renew the shareholders' mandate for share buy-back obtained at the previous Company's 16th Annual General Meeting held on 27 June 2018 and empower the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company.

4. 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 Share Buy-Back Mandate and the Proposed Recurrent RPT Mandate are set out in the Statement/Circular to Shareholders dated 30 April 2019 which is despatched together with the Company's Annual Report 2018.

5. Proposed Adoption of New Constitution of the Company

The proposed alteration or amendments to the existing Memorandum & Articles of Association (Constitution) of the Company (Proposed Amendments) are made mainly for the following purposes:

- (i) To ensure compliance with the amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29 November 2017; and
- (ii) To provide clarity and consistency with the amendments that arise from the Companies Act 2016 effective 31 January 2017.

In view of the substantial amount of Proposed Alteration or Amendments to the Constitution, the Board proposed that the existing Constitution be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the Proposed Amendments (New Constitution) as set out in the Appendix A.

In view of the above, the shareholders' approval is sought for the Company to alter or amend the whole of the existing Constitution by the replacement thereof with the New Constitution as per Appendix A in accordance with Section 36(1) of the Companies Act 2016.

The Appendix A on the Proposed New Constitution of the Company, which is circulated together with the Company's Annual Report 2018, shall take effect once the proposed Special Resolution 1 has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 17th Annual General Meeting.