

KNM GROUP BERHAD
521348-H
(Incorporated in Malaysia)

M I N U T E S

MINUTES OF THE EIGHTEENTH (18th) ANNUAL GENERAL MEETING (“MEETING”) OF KNM GROUP BERHAD DULY CONVENED AND HELD FULLY VIRTUAL VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING WITH THE LIVE STREAMING BROADCASTED FROM THE AUDITORIUM, 3A FLOOR, MENARA SYMPHONY, JALAN PROF KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA, ON THURSDAY, 13 AUGUST 2020 AT 10.00 A.M.

- Present : (1) The Board of Directors comprising :
Dato’ Ab Halim bin Mohyiddin
Mdm. Gan Siew Liat
Mr Terence Tan Koon Ping
Dato’ Dr Khalid bin Ngah
Mdm. Soh Yoke Yan
(2) 147 members present virtually
(3) 48 proxies
- Invitees : (1) Mr. Bryan Wong Toh Sing, Chief Financial Officer
(2) Messrs KPMG (Represented by Mr. Tai Yoon Foo)
(3) Messrs Bahari & Bahari (Represented by Puan Nurul Fadzlinda Binti Ibrahim)
(4) Messrs Boardroom Share Registrars Sdn Bhd (Represented by Ms Alice Tey, Encik Mohd Azman bin Mohd Ali, Mr Lim Guan Hoong, Cik Nur Syahirah, Mr Alex Chew, Mr Cheong Chee Kin, Encik Abd Halim Saad.
(5) Messrs Boardroom Corporate Services Sdn Bhd (Represented by Mr Tee Wan Ting, Cik Nurul Atiqah.
- Chairman : Dato’ Ab Halim bin Mohyiddin
- In attendance : Puan Hani Syamira Binti Abdul Hamid, Group 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 which had been announced to Bursa Malaysia Securities Berhad within the prescribed period was taken as read.

3. INTRODUCTION OF BOARD MEMBERS, COMPANY SECRETARY, AUDITORS & ADVISER

Dato’ Chairman introduced the Board members, Chief Financial Officer (“CFO”), Group Company Secretary, KPMG representative, and representative from legal firm Bahari & Bahari, to the shareholders at the Meeting.

Dato' Chairman further recorded his deep appreciation for the significant contributions of Ir Lee Swee Eng who had retired as the Group CEO/Executive Director of the Company after 31 years of services with the KNM Group. Ir Lee has been an integral part of KNM since its inception and developed the Group into a global multinational company.

4. MEETING PROCEDURES

Dato' Chairman confirmed that eight (8) Ordinary Resolutions would be tabled before the shareholders during this Meeting, and it would be casted by way of e-voting.

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

Encik Azman from Boardroom was invited to brief the shareholders on the process of e-voting.

The Chairman then proceeded with the proceedings of the Meeting.

5. RECEIPT OF AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 2019.

Before the Chairman proceeded with the 1st item on the Agenda and at the invitation of the Chairman, Mr. Terence Tan Koon Ping, the Group Chief Executive Officer/Executive Director ("GCEO/ED") presented and updated the shareholders on the key financial results and operational achievements of the Group for the financial year ended 31 December 2019, as well as the updates of the following major projects of the Company :

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

The updates and presentations by the GCEO/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.

Accordingly thereafter, Dato' Chairman and Mr. Terence Tan Koon Ping, the GCEO/ED of the Company proceeded to answer such queries posted by members of the floor who had expressed their comments, queries and concerns on the above Projects and the Company's affairs together with financial performance as stated in the Annual Report 2019.

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

- (a) updates of material litigation cases
- (b) ethanol production for sanitizer
- (c) proposed disposal of Borsig ZM Compression GmbH
- (d) potential waste-to-energy ("WTE") projects
- (e) impairment loss on trade receivables
- (f) increase in finance costs
- (g) scale down of America segment

The queries and issues above were all duly answered.

After the completion of the briefing and Q&A session, the first item on the Agenda was unanimously received by the members.

**6. ORDINARY RESOLUTION 1
RE-ELECTION OF MADAM SOH YOKE YAN AS DIRECTOR**

Next item on the Agenda was to re-elect Madam Soh Yoke Yan, who retires by rotation in accordance with Article 113 of the Company's Constitution, and being eligible, offered herself for re-election.

Madam Soh Yoke Yan declared her interest and duly abstained from the deliberation of this motion.

**7. ORDINARY RESOLUTION 2
RE-ELECTION OF DATO' DR KHALID BIN NGAH AS DIRECTOR**

The item no. 2(b) on the Agenda was to re-elect Dato' Dr Khalid bin Ngah, who retires by rotation in accordance with Article 113 of the Company's Constitution, and being eligible, offered himself for re-election.

Dato' Dr Khalid bin Ngah declared his interest and duly abstained from the deliberation of this motion.

**8. ORDINARY RESOLUTION 3
RE-ELECTION OF MR TAN KOON PING AS DIRECTOR**

The item no. 3 on the Agenda was to re-elect Mr Terence Tan Koon Ping, who is subject to retirement in accordance with Article 112 of the Company's Constitution, and being eligible, offered himself for re-election.

Mr Terence Tan Koon Ping declared his interest and duly abstained from the deliberation of this motion.

**9. ORDINARY RESOLUTION 4
DIRECTORS' FEES AND BENEFITS 2019**

Item no. 4 on the Agenda was to approve the payment of Directors' Fees and Benefits of RM993,000.00 for the financial year ended 31 December 2019.

**10. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF AUDITORS**

Item no. 5 on the Agenda was to re-appoint Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

**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 20% of the total number of issued shares of the Company.

**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.

**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 30 June 2020.

The following major shareholders, 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. Inter Merger Sdn Bhd
4. Tegus Klasik Sdn Bhd
5. Aveda Assets Capital Inc.
6. Sara Lee Mei Ching
7. Sarita Lee Mei Ling

14. ANY OTHER BUSINESS OF WHICH DUE NOTICE HAVE BEEN GIVEN

The Company Secretary confirmed that no notice to transact any other business at the Meeting had been received.

Thereafter, the Chairman declare the shareholders to cast their votes for a period of 10 minutes and 20 minutes for the scrutineers to verify the e-polling results.

15. VOTING BY E-POLLING

The meeting was accordingly adjourned at 11.00 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 after 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	554,413,248	97.796596	547,852,448	97.776329	567,608,908	99.69585
Against	12,491,195	2.203404	12,459,495	2.223671	1,731,635	0.304147
Total	566,904,443	100.0000	560,311,943	100.0000	569,340,543	100.0000
Abstention	2,452,500	0.430746	9,045,000	1.588624	-	-

	Ordinary Resolution 4		Ordinary Resolution 5		Ordinary Resolution 6	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
In Favour	569,261,468	99.982599	554,411,998	97.795755	569,119,868	99.96124
Against	99,075	0.017401	12,496,045	2.204245	220,675	0.038760
Total	569,360,543	100.0000	566,908,043	100.0000	569,340,543	100.0000
Abstention	-	-	2,452,500	0.430746	-	-


	Ordinary Resolution 7		Ordinary Resolution 8	
	No. of Shares	%	No. of Shares	%
In Favour	569,260,218	99.982379	247,110,271	99.959923
Against	100,325	0.017621	99,075	0.040077
Total	569,360,543	100.0000	247,209,346	100.0000
Abstention	-	-	322,151,197	56.58122

Accordingly all resolutions were then declared as carried as achieved the majority votes from the shareholders.

16. CONCLUSION

There being no other business to transact, the Meeting ended at 11.25 a.m. and the Chairman thanked the members for their attendance.

Signed as a correct record,



 Chairman