



KNM GROUP BERHAD

(Company No. 521348-H)

- (1) NOTICE OF 8TH ANNUAL GENERAL MEETING**
- (2) FORM OF PROXY**
- (3) ANNUAL REPORT 2009 REQUEST FORM**
- (4) INFORMATION ON E-DIVIDEND**



KNM GROUP BERHAD
(Company No. 521348-H)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 8th Annual General Meeting of KNM Group Berhad will be held at Hang Li Po Room, Level 4, Mines Wellness Hotel, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor, Malaysia on Wednesday, 23 June 2010 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 2009 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 Articles of Association:
 - (a) Ir Lee Swee Eng *Ordinary Resolution 1*
 - (b) Lim Yu Tey *Ordinary Resolution 2*
3. To approve the Directors' fees of RM713,750 for the financial year ended 31 December 2009. *Ordinary Resolution 3*
4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. *Ordinary Resolution 4*

As Special Business:

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

5. **Authority to allot shares pursuant to Section 132D of the Companies Act 1965:** *Ordinary Resolution 5*

"**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."
6. **Proposed renewal of shareholders' mandate for share buy-back:** *Ordinary Resolution 6*

"**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 RM0.25 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:

- (i) the aggregate number of ordinary shares which may be purchased and/or held 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 and/or share premium of the Company as at 31 December 2009; 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 Listing Requirements; and/or
 - (d) distributed as dividends to the shareholders; and /or
 - (e) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and 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, 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.”

7. Proposed shareholders’ mandate for recurrent related party transactions of a revenue or trading nature:

Ordinary Resolution 7

“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 Statement/Circular to Shareholders dated 1 June 2010 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,

(“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, 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 Companies Act 1965 (“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.”

8. **Proposed amendments to the Articles of Association of the Company:**

Special Resolution 1

“**THAT** the alterations, modifications or additions to the Articles of Association of the Company as set out in Appendix II of the Statement/Circular to Shareholders dated 1 June 2010 be and are hereby approved.”

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

By Order of the Board

Lau Bee Gee (MAICSA 0817743)
Chia Kwok Why (MAICSA 7005833)
Company Secretaries

Seri Kembangan
1 June 2010

Notes:

- (i) *This Agenda item is meant for discussion only and is not 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.*
- (ii) *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.*
- (iii) *A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.*
- (iv) *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
- (v) *To be valid this form duly completed 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.*
- (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 a duly authorised officer or attorney.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. As at the date of this Notice, no new shares in the Company were issued pursuant to section 132D of the Companies Act 1965 whereby the authority was granted to the Directors at the 7th Annual General Meeting of the Company held on 24 June 2009, and will lapse at the conclusion of the 8th Annual General Meeting of the Company.

The proposed Ordinary Resolution 5, if passed, will renew the authority granted to the Directors of the Company and give flexibility of the Directors of the Company to allot and issue up to ten percent (10%) of the issued share capital of the Company for the time being for any strategic opportunities involving equity or part equity or for such purposes as the Directors deem fit and in the interest of the Company in order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

2. The proposed Ordinary Resolution 6, if passed, will renew the shareholders' mandate for share buy-back obtained at the last Annual General Meeting 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. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
3. The proposed Ordinary Resolution 7, if passed, will allow the Group to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
4. The proposed Special Resolution 1, if passed, will allow amendments to be made to the Articles of Association of the Company ("Articles") to bring the Articles in line with the amendments to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and Bursa Securities' Directive on implementation of payment of electronic cash dividend for clarity and enhancements and, where relevant, to render consistency throughout the Articles.

Further information on the Proposed Share Buy-Back Mandate, the Proposed Recurrent RPT Mandate and the Proposed Amendments to the Articles of Association of the Company is set out in the Statement/Circular to Shareholders dated 1 June 2010 which is despatched together with the Company's Annual Report 2009.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There are no other individuals seeking for election as Directors (excluding those Directors standing for re-election) at the 8th Annual General Meeting of the Company.



KNM GROUP BERHAD
(Company No. 521348-H)

FORM OF PROXY

Number of Ordinary Shares held

I/We (full name and in block capitals) _____

NRIC no. (new)/Company no. _____ CDS account no. _____

of (full address) _____

being a member/members of KNM GROUP BERHAD hereby appoint (full name as per NRIC and in block capitals)

_____ NRIC no. (new): _____

of (full address) _____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the 8th Annual General Meeting of the Company to be held at Hang Li Po Room, Level 4, Mines Wellness Hotel, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor, Malaysia on Wednesday, 23 June 2010 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	Re-election of Ir Lee Swee Eng		
2.	Re-election of Lim Yu Tey		
3.	Approval of Directors' fees		
4.	Re-appointment of Messrs KPMG as Auditors		
5.	Authorisation for Directors to issue shares		
6.	Proposed Renewal of Share Buy-Back Mandate		
7.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions		
8.	Proposed Amendments to the Articles of Association of the Company		

Please indicate with an "x" in the space provided above how you wish to cast your vote. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Signature of Shareholder

Common Seal to be affixed here if
Shareholder is a Corporate Member

Dated this _____ day of _____, 2010

Notes:

- (i) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
- (ii) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
- (iii) Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (iv) To be valid this form duly completed 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.
- (v) 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 a duly authorised officer or attorney.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
KNM GROUP BERHAD (521348-H)
15 Jalan Dagang SB 4/1
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan
Malaysia

1st fold here



KNM GROUP BERHAD
(Company No. 521348-H)

ANNUAL REPORT 2009 REQUEST FORM

Dear Shareholders,

Please complete your particulars below and return this form through mail or fax it to 603-8943 4781 should you wish to receive a hard copy of the Annual Report 2009 of KNM Group Berhad. You may also contact the Company Secretary at 603-8946 3016 / 603-8946 3111 or email your request to waisin@knm-group.com. A hard copy of the Annual Report 2009 will be forwarded to you within four (4) market days from the date of receipt of your request.

Particulars of Shareholder

Name (*full name and in block capitals*) : _____

NRIC no. (new) / Passport no. / Company no. : _____

CDS Account no. : _____

Telephone no. : _____

Correspondence address : _____

Signature of Shareholder

Note:

The Annual Report 2009 of KNM Group Berhad can also be downloaded at www.knm-group.com/knm_annual.htm.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
KNM GROUP BERHAD (521348-H)
15 Jalan Dagang SB 4/1
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan
Malaysia

1st fold here



KNM GROUP BERHAD
(Company No. 521348-H)

1 June 2010

Dear Shareholders,

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT (“eDividend”)

We are pleased to inform you that KNM Group Berhad (“KNM” or “the Company”) will be providing eDividend to shareholders to be implemented in the **third quarter of 2010**. The eDividend refers to the payment of cash dividends by the Company by directly crediting it into the shareholders’ bank accounts.

1. Benefits of eDividend

Generally, the main objective of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

Other objectives, amongst others, are as follows:

- Faster access to your cash dividends as your entitlement will be directly credited to your bank account.
- Eliminate the inconvenience of having to travel to bank to deposit the dividend cheques.
- Eliminate incidents of misplaced, lost or expired cheques.
- Eliminate incident of unauthorised deposit of dividend cheques.
- The convenience of one-off registration for entitlement to cash dividend from all listed issuers.
- Option to consolidate dividends from all your Central Depository System (“CDS”) accounts into one bank account for better account management.

2. Registration for eDividend

Registration for eDividend has commenced on **19 April 2010** for a period of 1 year until 18 April 2011 at no cost to the shareholders. If you register only after the abovesaid 1 year’s period, an administrative charge will be imposed.

To register for eDividend, you are required to provide (through your stock broker) to Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) your bank account number and other information required by completing the prescribed form which can be obtained from your stock broker’s office where your CDS account is maintained.

3. Additional information

- 3.1 Once you have registered for eDividend, any cash dividend entitlement of which the books closure date is announced by KNM on or after 1 September 2010, shall be paid to you via eDividend.
- 3.2 You may wish to refer to the relevant information kit at Bursa Malaysia Securities Berhad’s (“Bursa Securities”) webpage available at www.bursamalaysia.com/website/bm/trading/edividend.html which will aid you in better understanding about eDividend.
- 3.3 Also enclosed herewith the frequent asked questions and answers on eDividend issued by Bursa Securities for your perusal.

We look forward to a successful implementation of eDividend through your participation and serving you better as our valued shareholders. If you have any query relating to our eDividend service, please do not hesitate to contact our Share Registrar (contact persons : Encik Aznal Abdul Majid at aznal.majid@symphony.com.my; or Encik Azman Mohd Ali at azman.mohdali@symphony.com.my; or at 603-78418000).

Thank you.

Yours faithfully,
Ir Lee Swee Eng
Acting Chairman/Managing Director

What?

1. What is eDividend?

eDividend is a service which allows an issuer to electronically pay your cash dividend entitlements directly into your bank account instead of making payment via bank cheques.

2. What do I have to do?

As a depositor, you have to provide your bank account information to Bursa Depository.

Why?

3. Why eDividend?

- Faster access to dividends which is credited directly into your bank account
- Convenience – eliminates the need to go to a bank
- One-off provision of bank account details for all the companies you invest in at Bursa Malaysia
- Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account
- Misplaced, lost or expired cheques will no longer be an issue

When?

4. When can I start providing my bank account information for eDividend?

You can start providing your bank account information to your Authorised Depository Agent (ADA) (referred to in this FAQ as your “stock broker”) from 19 April 2010 and you have a grace period of one year, until 18 April 2011 to provide such information. The sooner you provide your bank account information, the sooner you will be able to benefit from the advantages of eDividend.

5. Will I incur any additional costs for receiving eDividend or in providing my bank account information for the purposes of eDividend?

No. You can benefit from eDividend without any charges, if your bank account information is provided to your stock broker within the one year grace period.

6. What happens after that one year grace period?

After that one year grace period, depositors who have not provided their bank account information will not be able to benefit from receiving their dividends in a timely, effective and efficient manner. Moreover, depositors will have to bear an administrative fee when they provide their bank account information to their stock brokers after the one year grace period.

How?

7. How do I provide my bank account information for eDividend?

You must complete the relevant prescribed form and submit it together with the required supporting documents at your stock broker’s office where your CDS account is maintained.

Note: If you are unable to be present at the stock broker’s office, the signing of the relevant prescribed form and the supporting documents must be witnessed by an acceptable witness specified by Bursa Depository. An acceptable witness includes an Authorised Officer of your stock broker, a Dealer’s representative, a notary public, or an authorised officer of Malaysian Embassy/High Commission. Once signed accordingly, the document should be submitted to your stock broker.

8. What supporting documents are required?

If you are an individual depositor, when providing your bank account information for eDividend, bring along:-

- (i) Original documents for verification.
- (ii) Copy of Identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents.
- (iii) Copy of your bank statement/ bank saving book/ details of your bank account obtained from your bank's website that has been certified by your bank/ copy of the letter from your bank confirming your bank account details.

If you are a corporate depositor, you are required to submit the following documents when providing your bank account details:-

- (i) Certified true copy of Certificate of Incorporation/ Certificate of Registration.
- (ii) Certified true copy of your bank statement/ bank savings book/details of your bank account obtained from your bank's website/any letter from bank confirming your bank account details.

In the case of a bank savings book or bank statement, for the purpose of confidentiality, you are advised to show to your stock broker only the part containing your bank account particulars when providing your bank account information for eDividend.

9. Is there any restriction on the type of bank account that can be assigned for the purposes of eDividend?

You are allowed to provide the details of existing active savings or current accounts maintained with a local bank that is under your name or in the case of a joint account, has your name as one of the accountholders.

10. Can I provide bank account information of a bank that is located overseas?

No, you must provide details of a bank account maintained with a financial institution that are offering MEPS Inter-Bank GIRO (IBG) service. A current list of IBG members can be located via the following website http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer.

11. Can I change my bank account information provided for eDividend?

Yes, you are allowed to change your bank account details by submitting the relevant prescribed form together with the relevant supporting documents substantiating your request to your stock broker. There will be no cost charged to you for changing or updating your bank account details.

12. How will I receive my dividends for those shares held in my CDS accounts if I have not provided my bank account information?

If you have not provided your bank account information, you will not be able to benefit from receiving your dividends in a timely, effective and efficient manner. You will then be paid your cash dividend entitlements through an existing manner as authorised under the issuer's Articles of Association.

Other questions

13. When will listed issuers be required to pay dividends via eDividend to their shareholders?

All listed issuers who announce a books closing date for dividend entitlements on or after 1 September 2010 are required to pay dividends via eDividend to their shareholders who have provided their bank account information to Bursa Depository.

14. When will my bank account be credited with my dividend entitlement?

Dividends will be paid by the issuer on the payment date. Generally, your dividend will be credited into your bank account within the same day of payment depending on your bank's processes.

15. How will my bank account information be used and will it remain confidential?

Your bank account details and other related information:

- (i) will be used solely for the purpose of enabling dividend payments to be credited directly into your bank account and for other purposes relevant for eDividend e.g. using your email address to send notifications to you;
- (ii) will only be provided to those persons necessary to facilitate the payment of your dividends via eDividend e.g. the issuers, share registrars and the appointed paying banks; and
- (iii) is protected under the Securities Industry (Central Depositories) Act 1991 that strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. All the parties, including those parties referred to in item (ii) above, are compelled to strictly adhere to these provisions. It should be noted that by signing the relevant form to provide your bank account information, you will be authorising the disclosure of your bank account information to these parties.

16. What will happen to my dividend if the payment cannot be credited into my bank account?

If the dividend cannot be credited into your bank account due to any reason whatsoever (for example due to an incorrect bank account number, a closed bank account or an inactive bank account), you will be contacted by Bursa Depository to validate your bank account details with your stock brokers. Arrangements will be made by the issuer to pay dividends using an existing manner as authorised under the listed issuer's Articles of Association.

17. Will I be notified that my application for eDividend has been successful?

Bursa Depository will send a confirmation by posting a computer generated notice to your correspondence address as specified in your CDS account details. The confirmation will also include your bank account information which you have provided in the relevant prescribed form for providing your bank account information, for verification.

18. Will I still receive my dividend tax voucher?

Yes, you will continue to receive your tax voucher so long as it is required under the law.

19. Will I be notified once the listed issuer has paid the dividend?

Yes, you will be notified electronically once the listed issuer has paid the dividend out of its account, if you have provided both your mobile phone number and your email address to Bursa Depository. Such electronic notification may be via mobile phone or email, at the listed issuer's discretion.

Email is currently the main method of electronic notification and if you only provide your mobile phone number, you may only be notified of the dividend payment when you receive your tax vouchers.

20. Can I choose to discontinue receiving dividends via eDividend?

No, you are not allowed to discontinue receiving dividends via eDividend once you have provided your bank account information for the purposes of eDividend.

21. What if my CDS account is held in the name of a nominee?

If your CDS account is held in the name of a nominee, the depositor entitled to provide the bank account information for eDividend will be the nominee.

22. Do I need to provide bank account information separately for eDividend for each of my CDS accounts if I have more than one CDS account?

If you want all dividend payments arising from shares held in your CDS accounts to be credited into the same bank account, you can request for consolidation of all of your CDS accounts for dividend payment at the point of providing your bank account information for eDividend.

You can also opt to assign different bank accounts for each of your CDS accounts. In this case, you will need to provide your bank account information separately for each of the CDS accounts at the respective stock brokers where your CDS accounts are maintained.

23. Do I need to provide my bank account information again when opening a new CDS account after having provided my bank account information earlier and consolidating my CDS accounts?

No, once you have provided your bank account information for eDividend and opted for consolidation, your bank account details under your existing CDS accounts will be automatically assigned to your new CDS account.

However, if you had provided your bank account information for eDividend and had not opted for the consolidation feature, you will need to provide your bank account information every time you open a new CDS account.

24. Can I opt to consolidate all my CDS accounts for the purpose of eDividend after initially opting to have different bank accounts assigned to my various CDS accounts?

Yes, however you will need to decide and assign only one bank account to receive all the dividend payment arising from shares held in all your various CDS accounts. You will be able to perform the consolidation at the stock broker's office where you maintain a CDS account that your bank account has been assigned for the purpose of e-Dividend.

25. Do I need to provide my bank account information for eDividend to Bursa Depository if I have already been receiving my dividends from listed issuers who are currently providing payment of dividends via electronic means?

Yes, you will still be required to provide your bank account information to your stock broker.