



KNM GROUP BERHAD

(Incorporated in Malaysia under the Companies Act, 1965)
(Company No. 521348-H)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 6th Annual General Meeting of KNM Group Berhad will be held at the Unity Room, Lower Ground Level, Palace of the Golden Horses, MINES Resort City, Jalan Kuda Emas, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Tuesday, 17 June 2008 at 10.00 a.m. for the following purposes:

Agenda

As ordinary business :

1. To receive and adopt the audited Financial Statements of the Company for the financial year ended 31 December 2007 and the reports of the Directors and Auditors. *Ordinary Resolution 1*
2. To approve the payment of Directors' fees for the year ended 31 December 2007 *Ordinary Resolution 2*
3. To re-elect the following Director who retires in accordance with Article 132 of the Company's Articles of Association, and being eligible, has offered himself for re-election: *Ordinary Resolution 3*
 - (a) Ng Boon Su
4. To re-elect the following Directors who retires in accordance with Article 127 of the Company's Articles of Association, and being eligible, have offered themselves for re-election: *Ordinary Resolution 4*
 - (a) YBhg Dato' Mohamad Idris Bin Mansor *Ordinary Resolution 5*
 - (b) Lim Yu Tey *Ordinary Resolution 6*
 - (c) Gan Siew Liat *Ordinary Resolution 7*
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. *Ordinary Resolution 7*

As Special Business

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

6. Proposed renewal of authority to issue shares pursuant to Section 132D of the Companies Act, 1965: *Ordinary Resolution 8*

THAT subject to 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to 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 issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.
7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Nature: *Ordinary Resolution 9*

THAT approval be and is hereby given for the renewal of Shareholders' Mandate for the Company and its subsidiaries and associate companies (KNM Group) to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the KNM Group's day-to-day operations with the parties set out in section 4 of the Circular to Shareholders of the Company dated 26 May 2008, subject to the following:

- (a) the transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year based on the following information:

- (i) the type of recurrent related party transactions made; and
- (ii) the names of the related parties involved in each type of recurrent related party transaction made and their relationships with the Company;

and any other arrangements and/or transactions as are incidental thereto;

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this Ordinary Resolution until:

- (a) the conclusion of the next Annual General Meeting (AGM) of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (Act) but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting

whichever is the earlier.

AND THAT the Directors of the Company be empowered to complete and do all such acts and things as they may be considered expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate and transactions contemplated and/or authorised by this Ordinary Resolution.

8. Proposed Renewal of Share Buy-Back Authority: *Ordinary Resolution 10*

THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and the guidelines of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase and/or hold such number 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 of the Company may deem fit in the interest of the Company provided that the aggregate number of ordinary shares of RM0.25 each purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company (Proposed Renewal) and that an amount not exceeding the total audited retained profits and share premium account of the Company at the time of purchase, would be allocated by the Company for the Proposed Renewal.

THAT the authority conferred by this ordinary resolution will commence immediately upon passing of this ordinary resolution until the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting).

THAT the Directors of the Company be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal and THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to either retain the ordinary shares of RM0.25 each purchased pursuant to the Proposed Renewal as treasury shares and/or to resell the treasury shares and/or to distribute them as share dividends and/or to cancel them.

9. To transact any other ordinary business of which due notice shall have been given. *Ordinary Resolution 11*

By Order of the Board

Chia Kwok Why (MAICSA 7005833)
Yeoh Seng Chong (LS 006878)
Joint Company Secretaries

Seri Kembangan
26 May 2008

Explanatory Notes on Special Business

Resolution 8

Renewal of authority pursuant to Section 132(D) of the Companies Act, 1965

The effect of this Ordinary Resolution, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares in the Company up to and not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being, for such purposes as the Directors consider are in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Resolution 9

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Nature

Please refer to the Circular to Shareholders dated 26 May 2008 for further information.

Resolution 10

Proposed Renewal of Share Buy-Back Authority

Please refer to the Share Buy-Back Statement dated 26 May 2008 for further information.

Notes:

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
2. This instrument duly completed must be deposited at the Registered Office of the Company at 15, Jalan Dagang SB4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time for holding the meeting.
3. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if such appointee is a corporation under its Seal or the hand of its attorney.
4. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.