



KUMPULAN POWERNET BERHAD
[199701003731 (419227-X)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23rd AGM") of Kumpulan Powernet Berhad ("KPower" or "the Company") will be conducted on a fully virtual basis through live streaming from the broadcast venue at **Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue")** using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIH Online website at <https://tih.online> on **Wednesday, 9 December 2020 at 10.00 a.m.** to transact the following businesses:-

AGENDA

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of a first and final single tier dividend of 2.26 sen per ordinary share in respect of the financial year ended 30 June 2020.
- To approve the payment of Directors' fees of up to RM698,400 for the period from the conclusion of the 23rd AGM until the next Annual General Meeting of the Company.
- To approve the payment of Directors' benefits of up to RM323,410 for the period from the conclusion of the 23rd AGM until the next Annual General Meeting of the Company.
- To re-elect the following Directors who retire pursuant to Clause 76(3) of the Constitution of the Company:-
 - Ms Kok Pauline
 - Dato' Arivalagan A/L Anujan
- To re-elect Cik Sarah Azreen Binti Abdul Samat who retires in accordance with Clause 78 of the Constitution of the Company.
- To re-appoint Messrs Al Jafree Salehin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

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

Ordinary Resolution

Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

Ordinary Resolution

Proposed renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature

"THAT subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 30 October 2020 provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of RRPT Mandate")."

THAT the Proposed Renewal of RRPT Mandate shall only continue to be in full force until:-

- 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 said AGM, such authority is renewed;
- the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by a resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of RRPT Mandate."

Ordinary Resolution

Proposed share buy-back authority for the purchase up to ten percent (10%) of the total number of issued shares of the Company

THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued 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 may deem fit and expedient in the interest of the Company provided that:

- the aggregate number of issued shares in the Company ("KPower Shares") purchased ("Purchased KPower Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back Authority")

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- the expiration of the period within which the next AGM of the Company is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting, whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own KPower Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased KPower Shares until all the Purchased KPower Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- To cancel any or all of the Purchased KPower Shares;
- To retain any or all of the Purchased KPower Shares as treasury shares as defined in Section 127 of the Act;
- AND THAT the Directors of the Company be and are hereby authorised, at their discretion, where such Purchased KPower Shares are held as treasury shares as may be permitted by the Act:
- To distribute any or all of the Purchased KPower Shares as dividends to the shareholders of the Company;
- To resell any or all of the Purchased KPower Shares;
- To transfer any or all of the Purchased KPower Shares for the purposes of or under an employees' share scheme which may be established by the Company and/or its subsidiaries in the future;
- To transfer any or all of the Purchased KPower Shares as purchase consideration for any acquisition that KPower might undertake in the future;
- To cancel any or all of the Purchased KPower Shares;
- To sell, transfer or otherwise use any or all of the Purchased KPower Shares for such other purposes as the Minister may by order prescribe; and/or
- To deal with the Purchased KPower Shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.

Special Resolution

Proposed change of Company's name from "Kumpulan Powernet Berhad" to "KPower Berhad" ("Proposed Change of Name")

"THAT the name of the Company be changed from "Kumpulan Powernet Berhad" to "KPower Berhad" with effect from the date of the Notice of Registration of New Name issued by the Companies Commission of Malaysia and that the Constitution of the Company be hereby amended accordingly, wherever the name of the Company appears.

AND THAT, the Directors and/or Secretary of the Company be and are hereby authorised to give effect to the Proposed Change of Name with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities."

Special Resolution

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the 23rd AGM to be held on 9 December 2020, the first and final single tier dividend of 2.26 sen per ordinary share in respect of the financial year ended 30 June 2020 will be paid on 23 December 2020 to Depositors whose names appear in the Record of Depositors on 9 December 2020.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- shares transferred into the depositor's securities account before 4:30 p.m. on 9 December 2020 in respect of transfers; and
- shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Wong Wai Foong (SSM P.C. No. 202008001472) (MAICSA 7001358)

Yap Sit Lee (SSM P.C. No. 202008001865) (MAICSA 7028098)

Company Secretaries

Kuala Lumpur

30 October 2020

Notes:-

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 23rd AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 23rd AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 23rd AGM in order to participate remotely via RPV.

For the purpose of determining who shall be entitled to participate in this 23rd AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 30 November 2020. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 23rd AGM via RPV.

A member who is entitled to participate in this 23rd AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the 23rd AGM via RPV.

If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 23rd AGM via RPV must request his/her proxy to register himself/herself for RPV via TIH Online website at <https://tih.online>. Procedures for RPV can be found in the Administrative Guide for the 23rd AGM.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

- In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

- By electronic means
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tih.online>. Kindly refer to the Administrative Guide for the 23rd AGM on the procedures for electronic lodgement of proxy form via TIH Online.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Last date and time for lodging the proxy form is **Monday, 7 December 2020 at 10.00 a.m.**

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notariarily and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

- If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 30 June 2020

This item is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

2. Ordinary Resolutions 2 and 3 : Payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fees for the period from the conclusion of the 23rd AGM until the next AGM of the Company, calculated based on the size of the current Board of Directors ("Board") and expansion of Board Members.

The proposed Ordinary Resolution 3 for the Directors' benefits such as meeting allowances payable to the Directors is calculated based on the current board size, expansion of Board Members and the number of scheduled meetings for the period from the conclusion of the 23rd AGM until the next AGM of the Company and Directors' Liability Insurance coverage.

In the event the proposed amount of Directors' fees and/or benefits are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the under-provision.

3. Ordinary Resolutions 4 to 6: Re-election of Directors

Ms Kok Pauline, Dato' Arivalagan A/L Anujan and Cik Sarah Azreen Binti Abdul Samat are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 23rd AGM.

The Board has also through the Nomination Committee assessed the independence of Ms Kok Pauline and satisfied that she has complied with the criteria on independence as prescribed by the Listing Requirements of Bursa Securities.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 8: Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

a. Requirements under Paragraph 6.03(1) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

Pursuant to Paragraph 6.03(1) of the Listing Requirements, listed issuers must not issue any new shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such ordinary shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding any treasury shares) of the listed issuer for the time being ("10% General Mandate"), except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

b. Relief measures granted by Bursa Securities

In view of the Coronavirus Disease 2019 ("COVID-19") pandemic outbreak, Government of Malaysia had on 18 March 2020 imposed Movement Control Order ("MCO") nationwide to curb the spread of the COVID-19 infection in Malaysia. Bursa Securities recognised the needs for listed issuers to raise funds quickly and efficiently during the challenging time to ensure the long-term sustainability and interest of the listed issuers and their shareholders. Therefore, Bursa Securities had vide its letter dated 16 April 2020 granted an additional relief measure which allows a listed issuer to seek its shareholders' approval at a general meeting to issue new securities for a higher general mandate under Paragraph 6.03 of the Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) and to utilise this 20% general mandate to issue new securities until 31 December 2021 ("20% General Mandate").

c. Rationale for Proposed Ordinary Resolution 8

The Company proposes to seek new shareholders' mandate to enable the Directors to issue and allot up to a maximum of 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to the 20% General Mandate under Ordinary Resolution 8.

The proposed Ordinary Resolution 8, if passed, would provide additional flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment projects), working capital and/or acquisition(s) at any time as the Directors may deem fit without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting ("AGM") of the Company.

d. Statement by the Directors for the 20% General Mandate

The Board of Directors, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Company and its subsidiaries, is of the view that the proposed Resolution 8 is in the best interest of the Company and the shareholders of the Company as the 20% General Mandate will give the Directors the flexibility and cost effectively to raise funds quickly and efficiently during this challenging time to ensure the long term sustainability of the Company and safeguard the interest of the Company and the shareholders.

e. 10% General Mandate

As at the date of this Notice, the Company had issued and allotted a total of 7,614,994 new ordinary shares of RM1.75 per share under a private placement exercise on 19 February 2020 ("Private Placement") pursuant to the general mandate which was approved by the shareholders at the Company's 22nd AGM held on 28 November 2019. The total proceeds raised from the Private Placement exercise and the status of utilisation are as follows:-

Utilisation purposes	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance (RM'000)	Expected utilisation timeframe
Working Capital	7,176	7,176	-	Within 6 months
Business Acquisition	6,000	3,500	2,500	Within 6 months
Estimated expenses in relation to the Private Placement I*	150	118*	-	Immediately
Total proceeds	13,326	10,794	2,500	-

Note:

* The proposed estimated expenses in relation to the Private Placement I was RM150,000. The unutilised balance of RM32,000 has been allocated to working capital.

2. Ordinary Resolution 9: Proposed renewal of the existing 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 related party transactions made on an arm's length basis and on normal commercial terms which are not detrimental to the interest of the minority shareholders.

Please refer to the Circular to Shareholders dated 30 October 2020 for further information.

3. Ordinary Resolution 10: Proposed share buy-back authority for the purchase up to ten percent (10%) of the total number of issued shares of the Company

The proposed Ordinary Resolution 10, if passed, will allow the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to ten per centum (10%) of the total number of issued shares of the Company.

Please refer to the Statement to Shareholders dated 30 October 2020 in relation to the Proposed Share Buy Back Authority for further details.

4. Special Resolution: Proposed change of Company's name

On 6 July 2020, the Company had announced to Bursa Malaysia Securities Berhad that the Board of Directors had proposed to change the Company's name from "Kumpulan Powernet Berhad" to "KPower Berhad".

The approval of Companies Commission of Malaysia ("CCM") for the use of proposed name "KPower Berhad" which was obtained via CCM's email dated 6 July 2020 and the reservation of name is valid for a period of 30 days from 6 July 2020 ("Validity Period"). Subsequently, the Validity Period was extended by the CCM to 2 January 2021 (which may be further extended by the CCM).

The Proposed change of Company's name is subject to the approval of shareholders of the Company by way of Special Resolution which requires a majority of not less than three fourth of such members of the Company as being entitled so to do vote in person or by proxy at the forthcoming 23rd AGM to be convened on 9 December 2020.

The proposed Special Resolution if passed, would change the Company's name to "KPower Berhad" upon issuance of Notice of Registration of new name by the CCM.

Please refer to the Circular to Shareholders dated 30 October 2020 for further information.