



LOTUS KFM

LOTUS KFM BERHAD

(Registration No.: 198401007083 [119598-P])  
(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Sixth Annual General Meeting ("Meeting" or "AGM") of LOTUS KFM BERHAD ("LOTUS" or "the Company") will be held at Eugenia Ballroom (Ground Floor), Palm Garden Golf Club, IOI Resort City, 62502 Putrajaya on Monday, 22 March 2021 at 11:00 a.m. or any adjournment thereof, to transact the following businesses:-

### AGENDA

#### As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 30 September 2020 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of additional Directors' fees and benefits of RM24,000 for the period from 1 October 2019 to 22 March 2021.
- To approve the payment of Directors' fees and benefits of up to RM330,000 for the period from 23 March 2021 until the next Annual General Meeting of the Company.
- To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company's Constitution:
  - Encik Mohd Rasli Bin Muda
  - Ms. Low Koon Min
- To re-elect the following Directors who retire in accordance with Clause 91 of the Company's Constitution:
  - Mr. Chia Weng Lock
  - Mr. Yap Ee Seong
- To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

**PLEASE REFER TO  
EXPLANATORY NOTE 1  
ORDINARY RESOLUTION 1  
ORDINARY RESOLUTION 2**

**ORDINARY RESOLUTION 3  
ORDINARY RESOLUTION 4**

**ORDINARY RESOLUTION 5  
ORDINARY RESOLUTION 6  
ORDINARY RESOLUTION 7**

#### As Special Business:

To consider and if thought fit, pass with or without any modifications, the following resolutions:

- GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

**ORDINARY RESOLUTION 8**

"THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, 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 twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier."

**ORDINARY RESOLUTION 9**

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

"THAT, authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related party as set out in Section 2.8 of the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate dated 29 January 2021 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company; AND THAT such authority shall commence immediately upon the passing of this resolution until:

- the conclusion of the next annual general meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("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 an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Shareholders' Mandate in the best interest of the Company."

- PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

**SPECIAL RESOLUTION**

"THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

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

By order of the Board

**TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)**

Company Secretary

Petaling Jaya, Selangor Darul Ehsan  
29 January 2021

#### Notes:

- A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting. Where a member appoints more than one (1) proxy, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with 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 (1) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63 of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 March 2021. Only members whose name appears in the Record of Depositors as at 11 March 2021 shall be entitled to attend the Meeting and to speak and vote thereat.
- All the resolutions set out in this Notice will be put to vote by poll.
- The members are advised to refer to the Administrative Guide for the AGM on the registration process for the Meeting. The Administrative Notes has taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting. Kindly check Bursa Securities' and the Company's website at <http://www.kfmb.com.my/> for the latest updates on the status of the Meeting.

#### EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

- Item 1 of the Agenda**

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will not put forward for voting.
- Item 2 of the Agenda**

The shareholders had at the Thirty-Fifth AGM ("35<sup>th</sup> AGM") held on 17 March 2020 approved the Directors' fees and benefits of up to RM316,000 for the period from 1 October 2019 until the Thirty-Sixth AGM of the Company. However, the proposed amount was insufficient due to enlarged Board size during the financial period. This resolution is to facilitate the shortfall payment of Directors' fees and benefit of RM24,000 for the period from 1 October 2019 until 22 March 2021.
- Item 3 of the Agenda**

The estimated Directors' fees and benefits are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period from 23 March 2021 until the next AGM of the Company in year 2022. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.
- Item 7 of the Agenda**

The Company had at its 35<sup>th</sup> AGM held on 17 March 2020, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, 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 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("10% General Mandate"). This 10% General Mandate will expire at the conclusion of this AGM.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 35<sup>th</sup> AGM held on 17 March 2020 which will lapse at the conclusion of this AGM.

The Ordinary Resolution 8 proposed under Item 7 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will be utilised by the Company to issue and allot new ordinary shares until 31 December 2021 and thereafter, the 10% General Mandate will be reinstated. This authority, unless revoked or varied at general meeting, will expire at the next AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities until 31 December 2021 and thereafter, the 10% General Mandate will be reinstated.

The Board of Directors' Statement

The Board of Directors of LOTUS ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.
- Item 8 of the Agenda**

The Ordinary Resolution 9 proposed under Item 8 of the Agenda, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to the Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 29 January 2021 for further information.
- Item 9 of the Agenda**

The Special Resolution proposed under item 9 of the Agenda in relation to the proposed amendments to the Constitution of the Company, if approved, will provide more flexibility for the Company and its shareholders on the manner of holding general meetings, power to alter share capital and to provide clarity on the objects of the Company, as well as the provisions of the Third Schedule of the Act.

The proposed amendments to the Constitution of the Company shall take effect once the special resolution 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 Meeting.

## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF LOTUS KFM BERHAD (“THE COMPANY”)

This is the Appendix A referred to in Agenda 9 of the Notice of Thirty-Sixth Annual General Meeting (“36<sup>th</sup> AGM”) of the Company dated 29 January 2021.

**Day, Date and time of the 36<sup>th</sup> AGM** : Monday, 22 March 2021 at 11:00 a.m.  
**Venue of the 36<sup>th</sup> AGM** : Eugenia Ballroom (Ground Floor), Palm Garden Golf Club, IOI Resort City, 62502 Putrajaya

Clause No.	Existing Clause	Clause No.	Proposed Clause
4.	<p>Subject to the provisions of the Act, this Constitution and any other written law, the Company has: -</p> <p>(a) Full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and</p> <p>(b) For the purposes of Clause 4(a) above, full rights, powers and privileges.</p>	4.	<p>Subject to the provisions of the Act, this Constitution and any other written law, the <b>objects for which the Company is established are: -</b></p> <p><b>(a) To carry on the business of an investment holding company and for that purpose to promote or form or assist in promotion of any company or the subsidiary of the Company or otherwise and to acquire and hold for investment shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company or private undertaking; and</b></p> <p><b>(b) To carry on or undertake any business activity, to do any act or enter into any transaction or to do all such other things as are incidental or conducive to the attainment of the above objects.</b></p> <p><b>Section 21 of the Act shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or any activity the Directors consider advantageous to the Company and that are not prohibited under any law for the time being enforced in Malaysia.</b></p>
56.	<p>Subject to the provisions of this Constitution and the Act, the Company may by special resolution:</p> <p>(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(ii) subdivide its share capital or any part thereof into shares or smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;</p> <p>(iii) convert and/or re-classify any class of shares into any other class of shares; or</p>	56.	<p>Subject to the provisions of this Constitution and the Act, the Company may by <b>ordinary resolution:</b></p> <p>(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(ii) subdivide its share capital or any part thereof into shares or smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;</p> <p>(iii) convert and/or re-classify any class of shares into any other class of shares; or</p>

# APPENDIX A

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Clause No.	Existing Clause	Clause No.	Proposed Clause
	(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.		(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.
61.	The meeting of its Members may be held at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.	61.	The meeting of its Members may be held <b>by fully virtual or hybrid</b> at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and <b>subject to Clause 69</b> , the Chairman shall be present at the main venue of the meeting. <b>For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</b>
62.(a)	Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:-  (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and  (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right.	62.(a)	Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, <b>publication on the Company's website</b> or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:-  (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and  (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right.

## APPENDIX A

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Clause No.	Existing Clause	Clause No.	Proposed Clause
	NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange on which the Company is listed.		NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
-	New provision	106A	The provisions of the Third Schedule of the Act shall not apply to the Company except where the same is repeated or contained in this Constitution.

## ADMINISTRATIVE GUIDE

### ADMINISTRATIVE GUIDE FOR THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF LOTUS KFM BERHAD (“LOTUS” OR “COMPANY”) (“AGM” OR “MEETING”)

Date	Time	Venue
22 March 2021	11.00 a.m.	Eugenia Ballroom (Ground Floor), Palm Garden Golf Club, IOI Resort City, 62502 Putrajaya

In the interest of the public health including the well-being of our members, members must cooperate with the following precautionary measures put in place by the Company should members or proxies wish to attend the Meeting in person. Your safety and health are the Company’s top priority.

- (a) A member is required to register ahead of the Meeting to allow the Company to make the necessary arrangements in relation to the Meeting, i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants by providing the below details by email to [info@lotuskfm.com.my](mailto:info@lotuskfm.com.my):-
- Full name;
  - Identity Card or Passport Number;
  - Contact number (optional – for better co-ordination); and
  - CDS account number

The date of Record of Depositors for the AGM is 11 March 2021. As such, only members whose name appears in the Record of Depositors of LOTUS as at 11 March 2021 shall be entitled to attend the AGM and participate, speak and vote thereat.

- (b) A health screening counter will be set up for the purpose of health screening and body temperature will be taken for all persons before entering the venue. A member or proxy who has temperature of 37.5°C or higher or exhibits flu-like symptoms will not be permitted to attend the Meeting.
- (c) Members are encouraged to appoint the Chairman of the Meeting (or any other person) to act as proxy to attend and vote at the Meeting on their behalf by submitting the proxy form with predetermined voting instruction.
- (d) Members or proxies must sanitise their hands and are strongly advised to wear a face mask if they are attending the Meeting in person. Please note that no face mask will be provided at the Meeting venue.
- (e) Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.
- (f) Members or proxies are advised to arrive early at the Meeting venue given that the above-mentioned precautionary measures may cause delay in the registration process.
- (g) **NO door gift** will be provided to the members/proxies and **NO refreshment** will be served at the Meeting venue.
- (h) The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting.
- (i) **Recording/Photography**

By participating in this AGM, you agree that no part of this AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our AGM at short notice. Kindly check Bursa Malaysia Securities Berhad’s and Company’s website at <http://http://www.kfmb.com.my/> for the latest updates on the status of the Meeting.

#### ENQUIRY

If you have any questions regarding the AGM, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except public holidays) prior to the Meeting: -

For Registration matters:	For Proxy Form matters:
Name: Ms. Connie Telephone No.: +603-8959 4883 Email: <a href="mailto:info@lotuskfm.com.my">info@lotuskfm.com.my</a>	Name: Ms. Lily Telephone No.: +603 2084 9000 Email: <a href="mailto:Lily@sshb.com.my">Lily@sshb.com.my</a>