

LII HEN INDUSTRIES BHD (301361-U)
(Incorporated in Malaysia)

Minutes : 25th Annual General Meeting

Held at : Classic 1, Ballroom
Classic Hotel
No.69, Jalan Ali
84000 Muar,
Johor Darul Takzim

On : 12 June 2019

At : 11.30 a.m.

Present : Mr. Lan Haw Chong @ Lau Haw Chong - Independent Chairman
Mr. Chua Yong Haup - Managing Director
Mr. Chua Lee Seng - Executive Director
Mr. Tok Heng Leong - Executive Director
Mr. Tan Bee Eng - Executive Director
Mr. Chan Wah Chong - Independent Director
Chairman of Audit Committee and
Risk Oversight Committee
Dato' Mustapha Bin Abd Hamid - Independent Director
Chairman of Remuneration Committee
Mr. Chik Chan Chee @ - Independent Director
Cheok Chan Chee

and 34 other members (including proxy holders) as per attendance cards

In Attendance Mr. Tan Wang Giap - Company Secretary
Ms. Lydia Sim Lee Hea - Senior Corporate Manager
Mr. K.H. Tan - Solicitor
Mr. Foo Kee Fatt - Retiring External Auditor
Mr. John Lim Wan Show - Retiring External Auditor
Ms. Khoo Poh Chen - Retiring External Auditor
Ms. Oh Phaik Choo - Retiring External auditor
Mr. Tai Yew Wong - Share Registrar
Mdm. Cheang Siow Voon - Independent Scrutineer
Mr. Peter Chong - New External Auditor
Ms. CarineTan - New External Auditor
Ms. Ng Siew Eng - New External Auditor
Ms. Fu Yik Bee - New External Auditor
and 4 staffs as per attendance sheet

1. COMMENCEMENT

- 1.1 The Independent Chairman, Mr. Lan Haw Chong @ Lau Haw Chong took the chair and extended a warm welcome to the members present.
- 1.2 The Chairman introduced all present at the stage and the External Auditor and Solicitor of the Company.

2. QUORUM

- 2.1 The Chairman informed that there is an Errata on Dividend Per Share as shown in page 11 of the Annual Report and the copy of the amended page has been circulated in this Meeting.
- 2.1 The Chairman informed that as reported by the Company Secretary, a total of 58 proxies for 90,775,226 shares were received.
- 2.2 The requisite quorum being present pursuant to the Article 63 of the Company's Articles of Association, the Chairman called the Meeting to order.

3. NOTICE

- 3.1 The Chairman informed that the Notice of the 25th Annual General Meeting (“AGM”) has been sent to all the shareholders in accordance with the Company’s Articles of Association.
- 3.2 The Chairman proposed that the Notice of AGM be taken as read and requested a seconder to this motion.
- 3.3 Mr. Poh Lee Hong seconded the motion.
- 3.4 As there was no objection, the notice was taken as read.

4. VOTING BY POLL

- 4.1 The Chairman informed that as mentioned in note 9 to the Notice of AGM and pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions, No.1 to No.10, with Resolution 10 as Special Resolution, are to be put to vote by poll at this Meeting.
- 4.2 The Chairman further informed that upon registration, all members and proxy holders are given a poll slip to cast their votes for all the resolutions and Quantegic Services Sdn Bhd, has been appointed as an independent scrutineer to validate the votes cast for all the resolutions. He added that the polling process will be carried out after deliberation of all the resolutions.

5. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON

- 5.1 The Chairman tabled the Audited Financial Statements together with the Auditors’ and Directors’ Report of the Company for the financial year ended 31 December 2018 and informed that the Statements and Reports have been sent to shareholders in accordance with the Company’s Articles of Association and are meant for discussion only as they do not require shareholders’ approval pursuant to Section 3401(1)(a) of the Companies Act, 2016. Hence this Agenda will not be put for voting.
- 5.2 The Chairman proceeded to brief the members on the Group Highlights and Key Risks as follows:

i) *Group highlights for the year 2018*

The Group’s main activities are manufacturing and selling of furniture, particularly to overseas market which accounted for more than 90% of the Group’s Revenue.

As in general, the furniture industry had faced greater challenges in year 2018 that cover of the following:

- 1) Weakening of US Dollar against Ringgit;
- 2) Higher labour cost; and
- 3) High raw material cost.

All these challenges have impact on the Group’s performance. Having recognised these risks, however, the Group had managed the risks by constantly reviewing the Group’s strategies, operating and financial performance. In addition, with the increased efforts in developing new products and market, and improved production efficiency and cost control, the group’s revenue has increased by 12% to RM801 million from RM718 million in 2017, while the profit before tax was down by 22% to RM73 million as compared to RM93 million in 2017.

5. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON

- Cont'd

5.2 The Chairman proceeded to brief the members on the Group Highlights and Key Risks as follows: - Cont'd

ii) *Key Risks*

The Group is mindful of the following longstanding issues which have impact on the Group's performance:

1) *Shortage of manpower and the escalating costs*

The cost of the Group's own workforce and contractors' labour charges had escalated;

2) *Foreign currency exchange rate*

The Average Exchange Rate for US Dollar is RM4.03 and RM4.28 for year 2018 and 2017 respectively and the current year's export is US\$192 million. The drop in the exchange rate due to weakening of US Dollar against Ringgit Malaysia has significantly affected the Group's bottom line for the year.

3) *Availability and cost of raw materials*

The cost of raw materials and packaging materials had increased.

The Board will constantly monitor these risks and take proactive measures to mitigate the impact.

5.3 The Chairman then invited questions from the floor on the audited Financial Statements.

i) Mr. Koh Beng Hock, a shareholder, expressed thank for the Chairman's Briefing on the reason for the decrease of operating result and raised the following questions:

1) Question concerning the decrease in other expenses; and

2) The nature of investment security.

Ms. Lydia Sim responded to the questions raised as follows:

1) The main item of other expenses for 2017 is forex loss of RM6,992,757.

2) It is Unit Trust from AmBank.

Mr. Chairman explained that the investment security is for the extra cash put for good use.

ii) Mr. Ng Swee Kim, a shareholder, raised concerns over the declined profit despite increase of turnover and sought for an explanation on this issue and breakdown of production cost. He further requested book order for the current year.

Ms. Lydia Sim replied that the reason for profit declined is detailed in Manufacturing Costs section of the Statement on Management Discussion and Analysis, as shown in page 5 of the Annual Report. The breakdown of the production costs is 55-60%, 12% and 10% for materials, labour cost and overhead respectively.

5. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON**
- Cont'd

5.3 Questions from the floor on the audited Financial Statements - Cont'd

- iii) Mr. Low Wee Siong, a shareholder, sought for further explanation on the FOREX impact.

The Chairman, Mr. Lau replied that as explained in his Briefing earlier, there is a decrease of the USD conversion rate to RM4.03 for 2018 from RM4.28 for 2017. Based on export proceeds of USD 192 million, and if by using higher conversion rate, it will definitely cause a substantial turnover increase in Ringgit.

Mr. Lau further elaborated that notwithstanding FOREX that is beyond the Group's control, the Management has established a mechanism by using forward currency contracts to eliminate USD exposure on certain percentage of the budgeted overseas sales. However, he pointed out that hedging is double edge sword that needs to be diligently monitored.

- iv) Mr. Koh Beng Hock enquired on the action to mitigate the impact on increase of the foreign labour levy and introduction of the minimum wage and whether there are any plans on divestment of manufacturing location so as to contain the labour costs escalation.

The Chairman, Mr. Lau replied that currently there is no plan of divestment of manufacturing location to overseas as Muar is still a conducive place for furniture manufacturing because it has established as furniture manufacturing clusters with essential supporting industries. It is also noted that the labour cost in Vietnam is also escalated.

Mr. Chan Wah Chong elaborated the reason of not divesting to Vietnam. He mentioned that it is a bit too late, likely to be five years behind the schedule and for its land cost, it is not cheap now. It will divert substantial cash to Vietnam for heavy capital expenditure that will cause lesser dividend payout, a matter that the shareholders of the Company may not be happy. In short, it is really a matter in one hand with good dividend yield and the Group is comfortable with as compared with the other hand that the Group is new of and needs substantial cash for heavy investment. Mr. Chan also informed that the management has explored the divestment to Vietnam earlier and has concluded that it is behind the schedule. For Lii Hen, it is too late to divest to Vietnam. Moreover, lately their labour cost has increased much faster than Malaysia.

- v) Mr. Chong Cho Teng, a shareholder, enquired on the plan for the recently acquired three parcels of land and the progress of conversion application of land use.

The Chairman, Mr. Lau explained that in view of space constraint, the land are bought for preparation of the Group's business expansion and is meant for building and the management has reflected it to the authority and conversion application has been submitted.

- vi) Mr. Low Ah Lek, a proxy holder, expressed concern the Unit Trust with AmBank, a bank involved in 1MDB Scandal.

Ms. Lydia Sim replied that it is of short term nature.

The Chairman responded that the management takes note of Mr. Low's comment.

- vii) Ms. Norazah, a shareholder, proposed to have a projector display for presentation point as visual will help to understand what the meeting wants to convey to all present and she enquired on the plan to mitigate the market risk of concentration in USA.

The Chairman, Mr. Lau replied that as shown in page 152 of the Annual Report, effort has been put to expand the Group's customer base to reduce reliance on single region. Furthermore, the Group's sale revenue derived from US of \$179 million is still small sum as compared to a market of \$10 billion in US. This showed that the Group's products are insignificant to US market. Even though concentration in single market risk, the Group has maintained good rapport with the existing customers that built up through thick and thin over the years. However, by taking note of single market risk and beside effort on expanding customer base, the Group has enlarged the product range to upholstery furniture in order to increase the number of customers.

5. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON**
- Cont'd

5.3 Questions from the floor on the audited Financial Statements - Cont'd

- viii) Mr. Ng Swee Kim, a shareholder, asked for a reply on 2019 order book as raised earlier by him and he further enquired whether the Group has negotiation power to pass over the increased material cost to the customers.

Mr. Chan Wah Chong replied that as confirmed with the Managing Director, the order book is normally of three (3) months and as the main market is from US, its lead time is about two (2) months. This has resulted more storage space is needed to cater for the market demand. As diversified market is concerned, the US is still the biggest market in the world and should US market in trouble, all industry participants will be in the middle of the storm. The strategy to be adopted then is to ensure that the Group is to ride out of the storm and steadily steer the situation.

- ix) Mr. .Phua Thye Min, a shareholder, enquired on

- 1) the CAPEX allocated for the three pieces of land recently acquired by the Group and the solution for accepting additional order in view of space constraint;
- 2) any recovering plan for the loss on plantation that was written off amounting to RM4.2 million and the plan for the rubber trees;
- 3) the hedging policy of the Group;
- 4) is labour shortage still an issue;
- 5) any automation plan of the Group; and
- 6) the impact on the Minimum Wage if it is increased to monthly of RM1,500.

The Company responded to the questions raised as follows:

- 1) Mr. Chan Wah Chong replied that CAPEX allocated for next year is in the region of RM20 million. Besides seeking for solution to accept additional order, the Board is more concern over buyer audit of the product quality arising from space constraint that affects the flow of the production. If audit not pass, the group may lost a RM30 - RM40 million of the existing business. Moving forward for the sale with an expansion project by next year, this audit issue will be solved that will result in retaining the business with the existing buyers. Mr. Chan emphasised that the Board is prioritized the work place safety in the course of finding solution for space constraint.

Mr. Chan further elaborated that time line for the expansion project is 36 months as it involves conversion application for land use. The serious space constraint for the Group is on panel products.

- 2) Ms. Lydia Sim replied that the Management has asked the Johor State Government for exchange of land to plant rubber wood trees.

Mr. Chan Wah Chong replied that if it can generate better price in the market, rubber woods will be sold through market with the Group sourced it separately. The venture in rubber wood tree plantation was in line with the Group's strategy of enhancing the stable supply of rubber woods days back to 2008. The Group therefore accepted an offer from the State Government of Johor to plant rubber wood trees on joint venture basis because rubber wood supply was a major factor then.

Mr. Chan further explained that as the material use change in recent years, the Group has diversified its raw materials to composite materials for meeting the market demand to furniture with recycling components. Though it is still substantial, but not a major component, as rubber trees stands 20%of materials consumed.

- 3) Ms. Lydia Sim replied that it is hedged against 30% of the secured orders.
- 4) Ms. Lydia Sim replied that it is still one of the major issues.

5. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS AND REPORTS THEREON

- Cont'd

5.3 Questions from the floor on the audited Financial Statements - Cont'd

ix) The Company responded to the questions raised as follows: - Cont'd

- 5) Mr. Chan Wah Chong replied that in the last year, the management has a look on robotic arms in China and found out that as the Group's process and flows more molecular that robotic arms cannot work for our production. It is noted that an automation project will cost the Group of RM60 to 70 million in CAPEX. Currently, to mitigate the risk of the labour shortage, the Group has outsourced extensively for those labour extensive services. This has resulted the Group is still running with profit.
- 6) Mr. Chan Wah Chong replied that it will have immediate impact on reducing the profit of the Group. The Group will pass over the cost increment by product differentiation. The cost pass over to buyer takes about 2 quarters as the Group has 6 to 9 months back order on hand.

As there being no other question raised, the Chairman informed that since it is meant for discussion only as the audited financial statements do not require shareholders' approval. It will not be put forward for voting.

**6. ORDINARY RESOLUTION 1
TO SANCTION THE PAYMENT OF A FINAL SINGLE TIER DIVIDEND**

- 6.1 The Chairman proceeded to the next item on the agenda which is to seek members' approval to sanction the payment of a final single tier dividend of 3 sen per share for the financial year ended 31 December 2018.
- 6.2 The Chairman requested for a proposer and a seconder for Ordinary Resolution 1.
- 6.3 Mr. Chong Cho Teng proposed the Ordinary Resolution 1 and was seconded by Mr. Ho Shu Saint.
- 6.4 The Chairman invited questions from the floor.
- 6.5 There being no question raised, the Chairman informed that the voting for Resolution 1 is to be carried out by poll later.

**7. ORDINARY RESOLUTION 2 TO 4
TO RE-ELECT DIRECTORS RETIRING PURSUANT TO COMPANY'S ARTICLES OF
ASSOCIATION**

- 7.1 The Chairman informed the Meeting that item 3 of the Agenda is to re-elect the retiring directors in accordance with the Company's Articles of Association. Mr. Tan Bee Eng and Mr. Chua Yong Haup retire under Article 83 of the Articles of Association and Mr. Chik Chan Chee @ Cheok Chan Chee retires under Article 90 of the Articles of Association of the Company as he was appointed after the last Annual General Meeting.

The Chairman informed that the Nomination Committee has assessed the performance of each retiring director and recommended all these three directors for re-election to the Board and the Board has endorsed it.

The Chairman then proceeded to Ordinary Resolution 2 for re-election of Mr. Tan Bee Eng and asked for a proposer and a seconder for this Resolution.

Mr. Ho Shu Saint proposed the Ordinary Resolution 2 and was seconded by Mr. Poh Lee Hong.

The Chairman invited questions from the floor.

There being no question raised, the Chairman informed that the voting for Resolution 2 is to be carried out by poll later.

**7. ORDINARY RESOLUTION 2 TO 4
TO RE-ELECT DIRECTORS RETIRING PURSUANT TO COMPANY'S ARTICLES OF
ASSOCIATION - Cont'd**

- 7.2 The Chairman informed that the next resolution is to re-elect Mr. Chua Yong Haup, a director retiring under Article 83 of the Company's Articles of Association and requested for a proposer and a seconder for the Ordinary Resolution 3.

Mr. Ho Shu Saint proposed the Ordinary Resolution 3 and was seconded by Mr. Poh Lee Hong.

The Chairman invited questions from the floor.

There being no question raised, the Chairman informed that the voting for Resolution 3 is to be carried out by poll later.

- 7.3 The Chairman informed that the next resolution is to re-elect Mr. Chik Chan Chee @ Cheok Chan Chee, a director retiring under Article 90 of the Company's Articles of Association and requested for a proposer and a seconder for the Ordinary Resolution 4.

Mr. Ho Shu Saint proposed the Ordinary Resolution 4 and was seconded by Ms. Toh Hwee Ching.

The Chairman invited questions from the floor.

**8. ORDINARY RESOLUTION 5 AND 6
TO APPROVE DIRECTORS' FEE AND NON-EXECUTIVE DIRECTORS' REMUNERATION**

- 8.1 The Chairman highlighted to the Meeting that Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the directors and any benefits available to the directors of a public company shall be approved at a general meeting. Hence, the Board wishes to seek shareholders' approval for the payments to directors at this Meeting under two separate resolutions, namely Resolution 5 and 6.

- 8.2 The Chairman proceeded to Ordinary Resolution 5 which is to approve directors' fee of RM37,500 in respect of the financial year ended 31 December 2018. It is at a fee of RM5,000 per director on yearly basis. He then requested for a proposer and a seconder.

Mr. Ho Shu Saint proposed the Resolution 5 and was seconded by Ms. Khoo Mei Chyi.

There being no question raised, the Chairman informed that the voting for Resolution 5 is to be carried out by poll later.

- 8.3 The Chairman informed that Ordinary Resolution 6 is to approve directors' benefits (excluding fee) for Non-Executive Directors up to an amount of RM400,000 for the period from 13 June 2019 until the conclusion of the next AGM of the Company.

The Chairman further explained that currently there are a monthly allowance of RM3,500 per non-executive directors and travelling allowance of RM350 to RM500 per meeting per non-executive director. The Board is of the view that it is just and equitable for the non-executive directors to be paid the directors' allowance (excluding fees) on monthly basis and/or as and when incurred.

Mr. Ho Shu Saint proposed the Ordinary Resolution 6 and was seconded by Mr. Poh Lee Hong.

The Chairman invited questions from the floor.

There being no further question raised, the Chairman informed that the voting for Resolution 6 is to be carried out by poll later.

9. ORDINARY RESOLUTION 7 - AUDITORS

- 9.1 The Chairman proceeded to Agenda 5 which was to appoint Messrs. Peter Chong & Co. to replace the retiring auditors, Messrs. John Lim & Associates.
- 9.2 The Chairman informed that Messrs. John Lim & Associates have opted for not to renew their registration with Audit Oversight Board (“AOB”) after expiry of their license. It is due to one the new criteria for registration with the AOB, i.e., the audit firm with AOB shall ensure that all its audit partners registered with AOB are attached to only one firm at all times.
- 9.3 He expressed thank on behalf of the Board to Messrs. John Lim & Associates for the years of service rendered as auditors of the Company.
- 9.4 The Chairman then informed that the Audit Committee had undertaken an assessment of the qualification and capabilities of Messrs. Peter Chong & Co. and recommended it to the Board for its appointment. The Board has endorsed the recommendation and now seeking shareholders’ approval for its appointment.
- 9.5 Mr. Ho Shu Saint proposed the Ordinary Resolution 7 and was seconded by Mr. Poh Lee Hong.
- 9.6 The Chairman then invited questions from the floor on the audited Financial Statements.
- 9.7 Mr. Koh Beng Hock raised the concern of issue on certain auditors are either unable to detect some of the problem or not voicing it out, especially IMDB case. In this matter, he enquired the Company’s view on this issue, auditor rotation programme and independence of the auditors.
- 9.8 The Chairman, Mr. Lau replied that the non-seeking reelection of John Lim & Associates has nothing concern with the matter as raised up by the shareholder as it is due to one of the new criteria for registration with AOB as mentioned above that cause John Lim & Associates opted not to renew their registration. For information of all present, he informed that now the regulatory has imposed very high penalty on auditors.
- 9.9 The Chairman then invited the Chairman of Audit Committee to respond the enquiry as raised by Mr. Koh.
- 9.10 Mr. Chan Wah Chong, the Chairman of the Audit Committee replied that as far as the auditor rotation is concerned, the Company has strictly complied with the rotation guideline as imposed by the AOB since years back. The external auditors have direct access to independent directors. With the heavy penalty imposed, the members of the Audit Committee are more concerned than shareholders on any collusion. Should there be non-action taken by the Board upon auditors’ reporting of irregularities and/or collusion, they have to lodge a complaint to the authorities. Furthermore, there is no constraint imposed on the auditors’ scope of audit assignment and they report directly to the shareholders. The Audit Committee is the front line of defense on fraud and/or collusion. As the Governance is concerned, the Board Meeting of the Company is quite lively. The internal audit is conducted on quarterly basis with issues found tabled and solved in the Audit Committee Meeting, Before conclusion his reply, he highlighted to all present that there is a whistle-blowing case by external auditors in Malaysia, that is Transmile Group Berhad case.
- 9.11 There being no further question raised, the Chairman informed that the voting for Resolution 7 is to be carried out by poll later.

10. ORDINARY RESOLUTION 8 - AUTHORITY TO ISSUE SHARE

- 10.1 The Chairman informed that Ordinary Resolution 8 is to seek a general mandate, which if passed would empower the Directors to allot and issue shares not exceeding 10% of the issued share capital of the Company pursuant to Section 75 and 76 of the Companies Act 2016.
- 10.2 The Chairman further explained that this resolution, if passed will empower the Directors of the Company to issue and allot share in the Company from time to time and for such purpose as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company. He further informed that the previous mandate was not utilised and accordingly no proceeds were raised. The proposed renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.
- 10.3 With the consent of all present, the Chairman did not read the full text of the Ordinary Resolution 8.
- 10.4 He then asked for a proposer and a seconder for the motion.
- 10.5 Mr. Ho Shu Saint proposed the Ordinary Resolution 8 and was seconded by Mr. Poh Lee Hong.
- 10.6 The Chairman invited questions from the floor on the authority to issue shares.
- 10.7 There being no further question raised, the Chairman informed that the voting for Resolution 8 is to be carried out by poll later.

**11. ORDINARY RESOLUTION 9
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

- 11.1 The Chairman informed that Ordinary Resolution 9 is for shareholders to consider and, if thought fit, to pass the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature pursuant to paragraph 10.09 of the Bursa Securities Main Market Listing Requirements.

The Chairman explained that if the Ordinary Resolution 9 is passed, it will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being 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 detrimental to the minority shareholders of the Company.

The Chairman further informed that the detailed information and explanation are set out in Part A of the Circular to Shareholders dated 29 April 2019 which had been sent to shareholders together with the Annual Report 2018. And with the consent from the floor, he did not read the full text of the resolution.

- 11.2 The Chairman then requested for a proposer and a seconder for Ordinary Resolution 9.
- 11.3 Mr. Ho Shu Saint proposed the above motion and was seconded by Mr. Poh Lee Hong.
- 11.4 The Chairman invited questions from the floor.
- 11.5 There being no question raised, the Chairman informed that the voting for Resolution 9 is to be carried out by poll later

12. PROPOSED ADOPTION OF NEW CONSTITUTION- SPECIAL RESOLUTION

- 12.1 The Chairman proceeded to item 8 of the Agenda which is to consider and if thought fit, to pass the following resolution with or without any modifications as Special Resolution:

‘THAT approval be and is hereby granted to the Company to revoke its existing Memorandum and Articles of Association with immediate effect and in place thereof, the proposed New Constitution of the Company be and is hereby adopted as the Constitution of the Company; and

AND FUTHER THAT the directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by any relevant authorities, and to all such acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

- 12.2 The Chairman informed that this proposed Special Resolution, if passed, will align the Constitution of the Company with the Companies Act, 2016, the updated provisions of the Main Market Listing Requirements of Bursa Malaysia and the prevailing statutory and regulatory requirements applicable to the Company.
- 12.3 The Chairman further informed that the detailed information and explanation are set out in Part B of the Circular to Shareholders dated 29 April 2019 which had been sent to shareholders together with the Annual Report 2018.
- 12.4 The Chairman then requested for a proposer and a seconder for this Special Resolution.
- 12.5 Mr. Ho Shu Saint proposed the above motion and was seconded by Mr. Chua Yong Heng.
- 12.6 The Chairman invited questions from the floor.
- 12.7 There being no question raised, the Chairman informed that the voting for this Special Resolution is to be carried out by poll later.

13. OTHER BUSINESS

The Chairman informed the Meeting that the Company Secretary has not received any notice to transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company’s Articles of Association.

14. VOTING

- 14.1 The Meeting proceeded to cast votes at 12.40 noon while the Chairman informed that Mdm. Chang Siow Voon, representative of Quantegic Services Sdn Bhd would scrutinize the checking and counting of the votes cast. The Chairman then adjourned the Meeting for the purpose of counting and preparation of voting result summary which would take about half an hour.
- 14.2 The Chairman resumed the Meeting at 1.25 p.m. and clarified to the Meeting that due to oversight, the investment security is actually a Unit Trust from UOB and is invested as it is tax exempted security.

14. VOTING - Cont'd

14.3 The Chairman declared the result of poll as follows:

	FOR		AGAINST		ABSTAINED	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Resolution 1 - To sanction a final single tier dividend	91,273,626	99.98	15,000	0.02	45,000	0
Resolution 2 - To re-elect Tan Bee Eng as director	91,139,532	100.00	0	0	194,094	0
Resolution 3 - To re-elect Chua Yong Haup as director	91,062,126	99.99	500	0.01	271,000	0
Resolution 4 - To re-elect Chik Chan Chee @ Cheok Chan Chee as director	91,273,626	100.00	0	0	60,000	0
Resolution 5 - To approve Directors' fee	90,701,804	100.00	0	0	631,822	0
Resolution 6 - To approve Non-Executive Directors' Benefits (excluding fees)	90,273,626	98.90	1,000,000	1.10	60,000	0
Resolution 7 - To appoint Peter Chong & Co. as new auditors	91,282,626	100.00	0	0	51,000	0
Resolution 8 - Authority to issue share	91,279,726	99.99	4,900	0	49,000	0
Resolution 9 - Renewal of Shareholders' Mandate for RRPT	12,940,300	100.00	0	0	78,393,326	0
Special Resolution – To adopt New Constitution of the Company	91,260,626	100.00	0	0	73,000	0

14.4 The Chairman declared that all the Resolutions from 1 to 10 were passed by poll voting.

15. ADJOURNMENT OF MEETING

There being no other matters to be discussed, the Chairman declared the Meeting closed at 1.30 p.m. with an expression of thanks to all the shareholders present.

CONFIRMED BY

Lan Haw Chong @ Lau Haw Chong
Independent Non-Executive Chairman