

KPS CONSORTIUM BERHAD
Registration No. 198501011364 (143816-V)
Incorporated in Malaysia

MINUTES of the Thirty-Seventh ("37th") Annual General Meeting ("AGM") ("the Meeting") of the Company duly convened and held at Klang Executive Club, Persiaran Bukit Raja 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on Friday, 2 June 2023 at 11.00 a.m.

- DIRECTORS PRESENT** : Mr. Lau Fook Meng (Chairman of the Meeting)
Mr. Hew Chee Hau
Mr. Cheng Lai Chuan
Madam Wong See Mei
- ABSENT WITH APOLOGIES** : Datuk Chua Hock Gee
- IN ATTENDANCE** : Ms. Maggie Kong (representing Secretary)
- BY INVITATION** : As per Attendance List
- SHAREHOLDERS/PROXIES** : As per Attendance List

CHAIRMAN

Mr. Lau Fook Meng ("Mr. Lau") informed that Datuk Chua Hock Gee has extended his apologies for being unable to join the Meeting. Mr. Lau was elected to chair the meeting pursuant to Clause 65 of the Company's Constitution. He took the chair and called the meeting to order. Mr. Lau welcomed and thanked the members/proxies and invited guests for their attendance.

Mr. Lau proceeded to introduce the Board members present. The newly appointed directors, Mr. Cheng Lai Chuan and Madam Wong See Mei introduced themselves to the members/proxies.

QUORUM

Pursuant to Clause 63 of the Company's Constitution, two (2) members present in person or by proxy shall constitute a quorum for the meeting. The Company received a total of 13 shareholders and proxies representing 85,941,712 shares equivalent to 58.14% of the total number of issued shares of the Company registered at the commencement of the Meeting. With the requisite quorum being present, Mr. Lau declared the meeting duly convened.

NOTICE

The notice of the meeting together with the Annual Report has been duly despatched to all members within the requisite statutory period. There being no objection from the floor, the notice was taken as read.

Mr. Lau informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, all resolutions tabled at a general meeting would be voted by way of poll. The Company has appointed Mega Business Consultancy Division as the Scrutineer.

Mr. Lau briefed on the procedure. All resolutions were to be voted by way of poll. The voting would commence only at the end of the business, after dealing with all the questions and answers (if any) at the business of the day.

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon

Mr. Lau informed that, the first item on the agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon which was meant for discussion only as the Company's Constitution provides that the Audited Financial Statements are to be laid in the general meeting. Hence, the Audited Financial Statements will not be put forward for voting.

Mr. Lau invited attendees to raise questions pertaining to the financial statements. There were some clarifications from the floor. The details were in Annexure I attached.

After some clarifications from the floor, the Audited Financial Statements for the financial year ended 31 December 2022, together with the Directors' and Auditors' Reports thereon be received.

2. To approve the payment of Directors' fees and benefits up to RM87,250.00 for the financial year ended 31 December 2022 [Ordinary Resolution 1]

Mr. Lau tabled Ordinary Resolution 1 on the payment of Directors' fees and benefits up to RM87,250.00 to Non-Executive Directors for the financial year ended 31 December 2022.

Directors who are shareholders of the Company would abstain from voting on this resolution to approve his/her own fees pursuant to Practice 7.2 of the Malaysian Code on Corporate Governance.

There was no question raised by the shareholders/proxies on this agenda.

3. To approve the payment of Directors' fees and benefits up to RM107,250.00 from this Annual General Meeting until the next Annual General Meeting of the Company [Ordinary Resolution 2]

Mr. Lau tabled Ordinary Resolution 2 on the payment of Directors' fees and benefits up to RM107,250.00 to Non-Executive Directors from this Annual General Meeting until the next Annual General Meeting of the Company.

Directors who are shareholders of the Company would abstain from voting on this resolution to approve his/her own fees pursuant to Practice 7.2 of the Malaysian Code on Corporate Governance.

There was no question raised by the shareholders/proxies on this agenda.

4. To re-elect the following Directors retiring in accordance with Clauses 78 and 79 of the Company's Constitution respectively:-

- i) **Mr. Hew Chee Hau [Ordinary Resolution 3]**
- ii) **Mr. Cheng Lai Chuan [Ordinary Resolution 4]**
- iii) **Madam Wong See Mei [Ordinary Resolution 5]**

Mr. Lau tabled Ordinary Resolutions 3, 4, and 5 on the re-election of Mr. Hew Chee Hau, Mr. Cheng Lai Chuan and Madam Wong See Mei. They were subject to retire by rotation in accordance with Clauses 78 and 79 of the Company's Constitution respectively and being eligible, had offered themselves for re-election.

Their profiles were set out in the Profile of Directors section on pages 6 to 7 of the Annual Report 2022.

There was no question raised by the shareholders/proxies on this agenda.

5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors and to authorise the Board of Directors to fix their remuneration [Ordinary Resolution 6]

Mr. Lau tabled Ordinary Resolution 6 on the re-appointment of the retiring Auditors, Messrs. Grant Thornton Malaysia PLT as auditors of the Company to hold the office until the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration.

There was no question raised by the shareholders/proxies on this agenda.

AS SPECIAL BUSINESS: -

6. Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 [Ordinary Resolution 7]

Mr. Lau informed that Ordinary Resolution 7 was to obtain approval from the Shareholders and empower the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 and to waive the statutory pre-emptive rights of the shareholders of the Company pursuant to Section 85 of the Companies Act 2016 and Clause 8 of the Constitution of the Company. The authority would enable the Directors to allot up to 10% of the total number of issued shares of the Company at any time upon such conditions and for such purposes on the Directors may in their absolute discretion deem fit and would be in the best interest of the Company.

No shares were issued during the financial year arising from the mandate obtained at the last Annual General Meeting.

There was no question raised by the shareholders/proxies on this agenda.

7. ANY OTHER BUSINESS

There was no notice received for any other business to be transacted at the 37th AGM.

8. POLLING PROCESS

Mr. Lau requested shareholders/proxies to cast their votes by e-polling. The 37th AGM was adjourned for 20 minutes for poll voting.

9. POLL RESULTS

The Meeting resumed upon the receipt of the poll results duly verified by the Independent Scrutineer. Mr. Lau read out the verified voting results as follows:-

RESOLUTIONS	VOTE FOR		VOTE AGAINST		RESULTS
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1	85,422,513	99.4181	500,000	0.5819	CARRIED
Ordinary Resolution 2	85,422,513	99.4181	500,000	0.5819	CARRIED
Ordinary Resolution 3	85,922,513	100.0000	0	0	CARRIED
Ordinary Resolution 4	85,922,513	100.0000	0	0	CARRIED
Ordinary Resolution 5	85,922,513	100.0000	0	0	CARRIED
Ordinary Resolution 6	85,922,513	100.0000	0	0	CARRIED
Ordinary Resolution 7	57,876,412	67.3588	28,046,101	32.6412	CARRIED

Based on the aforesaid results, Mr. Lau declared all Resolutions **CARRIED**.

IT WAS RESOLVED:

Ordinary Resolution 1

"THAT the payment of Directors' fees and benefits to Non-Executive Directors up to RM87,250.00 for the financial year ended 31 December 2022 be and is hereby approved".

Ordinary Resolution 2

"THAT the payment of Directors' fees and benefits to Non-Executive Directors up to RM107,250.00 from this Annual General Meeting until next Annual General Meeting and is hereby approved "

Ordinary Resolution 3

"THAT Mr. Hew Chee Hau retiring in accordance with Clause 78 of the Company's Constitution and being eligible, be re-elected to the Board."

Ordinary Resolution 4

"THAT Mr. Cheng Lai Chuan retiring in accordance with Clause 79 of the Company's Constitution and being eligible, be re-elected to the Board."

Ordinary Resolution 5

"THAT Ms. Wong See Mei retiring in accordance with Clause 79 of the Company's Constitution and being eligible, be re-elected to the Board."

Ordinary Resolution 6

"THAT the retiring auditors, Messrs Grant Thornton Malaysia PLT be re-appointed as auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be affixed by the Directors."

Ordinary Resolution 7

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 8 of the Company’s Constitution, approval be and is hereby to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Companies Act 2016.”

10. TERMINATION

There being no further matters, the meeting was concluded at 12:40 p.m. with a vote of thanks to the Chair.

Confirmed True Record,

LAU FOOK MENG

Chairman of Meeting

APPENDIX I

The questions/inputs/comments forwarded by shareholders/proxies namely, Mr. Lee Shee, Mr. Bee Hang Peng, Ms. Lee Bee Yong, Mr. Chew Chung Sean and Mr. Ong Kim Huat duly addressed and attended by the Board members are summarized as follows:-

- 1) Shareholders present commented on the non-attendance of the Chairman, Datuk Chua Hock Gee, at the Company's annual general meetings for many years. Shareholders also commented on the major shareholder, Mr. Koh Poh Seng, for not attending the annual general meeting for the past many years.
- Q2) What is the position of the major shareholder, Mr. Koh Poh Seng in the Company? Does he involve in the day-to-day operation?**
- A2) Mr. Koh Poh Seng is a director in one of the subsidiaries of the Company and he is the financial consultant for the Group. His son, Mr. Koh Kok Hoor, and his son-in-law, Mr Yong Chee Wei, are the key senior management involved in the daily operations of the Group as disclosed in the Annual Report 2022.
- Q3) Does the Executive Director, Mr. Lau Fook Meng, involve in the day-to-day operation?**
- A3) Mr. Lau is the Executive Director and attends to the daily business operations.
- Q4) Shareholders commented that no CEO and CFO were appointed in the Company.**
- A4) The Board clarified that the positions of CEO and CFO are not necessary for the Company for the time being.
- Q5) Who is the leader of the management?**
- A5) We are under decentralized management whereby the senior management team comprises heads of departments from various divisions, segregating decision-making authority to respective levels of management and senior executives.
- Q6) Shareholders/proxies commented on the key management team disclosure in the Annual Report 2022 whereby there should be a clear organization chart and reporting hierarchy presented.**
- A6) The Board took note of the same and will improve the reporting.
- Q7) Who decides the remuneration of the key management?**
- A7) The Remuneration Committee recommended to the Board. The Board decides.
- Q8) Is the Company running well?**
- A8) Yes, the performance is improving year by year.

Q9) Questions on requesting the Company to pay a dividend.

- a) **Since the Company is doing well and making a profit, does the Company intend to pay a dividend? The Company has cashflow of about RM70.0 million.**
- b) **If there is no dividend payment, what is the benefit of shareholders investing in the Company? Long-term investors are looking for dividends.**
- c) **Was there any discussion in previous years on dividend payments?**
- d) **Suggested the Board can consider a 1.0 sen dividend.**

A9) The Board did discuss the declaration of dividends in the past few years. The Board wants to strengthen the Company's resources and assets and to ensure the Company in the long run. The Company is in the expansion stage which requires capital and cash. There was growth in profit but the liabilities were increased also. The declaration of dividend is also subject to the consent from bankers and we have to keep cash to meet liabilities. We are lucky to have the cash to sustain for the next two years. The Board noted your concern and would discuss the matter.

Q10) In Page 134 of the Annual Report, who is the substantial shareholder mentioned in Note 17 (Borrowings) item (ii) "Personal guarantee by a substantial shareholder of the Company and a Director of a subsidiary"?

A10) The substantial shareholder mentioned in Note 17 was Mr. Koh Poh Seng. The amount due to him was interest free and repayable on demand.

Q11) On page 135 Note 19 of the Annual Report, kindly advise which company was owing to the substantial shareholder for the amount of RM27.80 million (2021: RM13.75 million).

A11) The subsidiary companies owing to the substantial shareholder, Mr. Koh Poh Seng, were Paragon Paper & Plywood Sdn. Bhd. (RM4.9 million), Hai Ming Marketing Sdn. Bhd. (RM4.7 million), I'kranji Industries Sdn. Bhd. (RM0.003 million) and Hai Ming Development Sdn. Bhd. (RM18.2 million).

Q12) Kindly advise what kind of business is the money lending services mentioned on page 136 Note 20 ("Revenue") of the Annual Report.

A12) The Company's wholly-owned subsidiary Hai Ming Marketing Sdn. Bhd. has obtained the moneylender's license to carry on a legal money lending business and give guarantees for payment of money apart from its original business nature for trading in paper products.