



**Minutes of the Forty Seventh Annual General Meeting of members of Muda Holdings Berhad
held in the Conference Room at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan
on Thursday, 28th June 2018 at 11.00 a.m.**

PRESENT

Directors

Tan Sri Lim Guan Teik	Chairman, as shareholder and proxy
Dato' Azaman Bin Abu Bakar	Executive Deputy Chairman, as shareholder and proxy
Dato' Lim Wan Peng	Executive Director, as shareholder and proxy
Datuk Lim Chiun Cheong	Managing Director, as shareholder and proxy
Datuk Nik Ibrahim Bin Nik Abdullah	Independent Director, Chairman of Audit Committee Chairman of Remuneration Committee
Mr Lee Khim Sin	Independent Director & as shareholder

Absent with Apologies

Mr Patrick Chin Yoke Chung, Senior Independent Director,
Chairman of Nominating Committee

Shareholders/Proxies

As per Attendance List attached

In Attendance

Ms Goh Ching Yee	Company Secretary
Ms Lam Yoke Teng	Company Secretary
Mr Foo Yau Meng	Group Financial Controller
Dato' NK Jasani, Partner	] Grant Thornton Malaysia
Mr Desmond Tan, Partner	
Mr Gerald Lee	
Ms Cheang Siow Voon	] Quantegic Services Sdn Bhd,
Ms Yap Chon Yoke	
Mr Kung Kok Seng	} Digerati Technologies Sdn Bhd,
Mr Kong Vooi Hao	
	} Poll Administrators

1. Tan Sri Lim Guan Teik, Chairman of Muda Holdings Berhad, presided as Chairman of the meeting and having noted that a quorum was present, called the Meeting to order. The Chairman welcomed all those present at the meeting.

With the permission of the meeting, the notice convening the 47th Annual General Meeting (AGM) was agreed to be taken as read.

2. The Chairman informed that in his capacity as Chairman of the meeting, he had been appointed as proxy by a number of shareholders and that he would be voting in accordance with their instructions.
3. The Chairman informed that as required under Paragraph 8.29A of the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM shall be put to vote by way of a poll. He then demanded for a poll in accordance with the provisions of the Company's Constitution.
4. The Chairman informed that there would be seven ordinary resolutions to be passed at the AGM and that shareholders would be given opportunity to ask questions before casting their votes by poll. The meeting noted that casting of votes would be conducted upon completion of the deliberation of all items to be transacted at the AGM.
5. The Chairman called upon the Executive Deputy Chairman to conduct the proceedings of the AGM on his behalf.

**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2017 TOGETHER WITH THE REPORTS
OF THE DIRECTORS' AND THE AUDITOR'S THEREON**

6. The Meeting was informed that the 2017 Annual Report incorporating the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon have been sent to all shareholders in accordance with the Company's Constitution.
7. The Meeting noted that the Companies Act, 2016 and the Company's Constitution do not require the Audited Financial Statements to be formally approved by shareholders. As such, the Audited Financial Statements were not put forth for voting but was tabled for discussion only.
8. On behalf of the Chairman, the Executive Deputy Chairman invited questions from shareholders on the Reports and Financial Statements for the financial year ended 31 December 2017.
9. In response to the question raised from the floor, the Executive Deputy Chairman reported that wastepaper constituted only 10% of input cost for paper milling and the Group imports approximately 10% of its wastepaper requirements.
10. Responding to a question from the floor, the Managing Director explained that the Company has targeted customers for the planned increase in the capacity in the Melaka plant and the new corrugating machine is currently undergoing test run.
11. Replying to the question from the floor, the Managing Director explained that price of testliner has declined by RM150/mt in the first quarter of 2018 and similarly, price of local and imported paper has also trended downwards by RM150/mt to RM180/mt.
12. In response to the request for segmental figures, the Group Financial Controller directed the attention of the meeting to Page 107 of the Annual Report 2017 which sets out the Revenue of the Manufacturing, Trading and Other Segment. He explained that the Paper Mill Division and Carton Division contributed 47% and 34% of total Group revenue in 2017. He added that in future, the Company will provide further breakdown of the Revenue and Profit Before Tax of the Manufacturing Segment into sub-segment for Paper Milling Division and Carton Division.

13. In response to the question on the low rate of return on total assets, the Executive Deputy Chairman explained that the numerous capital expenditure incurred are at various stages of development and will take time to reach its full capacity. Hence, the contribution from these capital expenditures have not been fully realized at this stage. He stressed that the Group is conscious that all the assets of the Group has to be deployed efficiently.
14. The Executive Deputy Chairman explained that the comparison of return of assets of the Company against 6.5% of PT Indah Kiat Pulp & Paper Mill in Indonesia is not justified as Indah Kiat Pulp & Paper Mill produces paper from virgin pulp whereas the Muda Group produces industrial paper from recycled paper. Similarly, the comparison of the 12% profit margin of Public Packaging Holdings Berhad is not relevant as Public Packaging Holdings Berhad is purely in the corrugating business whereas the Muda Group is in paper milling and corrugating business.
15. The Executive Deputy Chairman concurred with the suggestion that the Board of Directors will give a briefing on the Group's plans and outlook for current and following year at its Annual General Meeting for better understanding of the Group operations and business and to display product samples for viewing.
16. The Managing Director clarified that the Old Corrugated Carton (OCC) wastepaper allowed into China is priced at between USD180/mt to USD250/mt. It is the price of the lower grade OCC that are not allowed into China has dropped significantly as the quality is very sub-standard. With the drop in the price of unsorted OCC wastepaper, mills from neighboring countries have dropped the selling price of paper roll and there were incidents of dumping into Malaysia. He explained that the Group collected 90% to 95% of its wastepaper locally with import of approximately 5% to 10% but only as a last resort.
17. In response to the question raised over the director's fees and remuneration paid to Tan Sri Lim Guan Teik, the Executive Deputy Chairman explained that Tan Sri Lim Guan Teik sits on the Board of several subsidiary companies in the Group and is active at subsidiary level.
18. On the high capital expenditure, the Executive Deputy Chairman explained that a majority of the capital expenditure were incurred to replace the old machines which are not efficient, operating at low speed and incurred high wastage.
19. In reply to the question from the floor, the Executive Deputy Chairman informed that the school bookshop business in Singapore is not replicated in Malaysia as the system is different and that the school bookshop business is seasonal and will peak in the fourth quarter.
20. The Executive Deputy Chairman explained that the key management for the core business of the Group in Malaysia are the Executive Directors of the Company and the key management listed on Page 17 of the Annual Report refers to the key management responsible for the operations in Singapore.
21. On the question on whether the Group faces any environmental issues, the Meeting was informed that the waste water at both the paper mills at Kajang, Selangor and Tasek, Penang were treated before being discharged to the river. Even the ink used by the Carton Plants were treated and dried before disposal.
22. In reply to the query from the floor, the Executive Deputy Chairman explained that the increase in receivables was in tandem with the increase in revenue.
23. On the question raised over the vacant agricultural land in Penang, the Executive Deputy Chairman explained that the land has been earmarked for future expansion.

ORDINARY RESOLUTION 1

Declaration of a First and Final Single Tier Dividend of 3.5 Sen per Ordinary Share

24. The following Ordinary Resolution 1 was proposed by Ms Chee Swee Choo and seconded by Mr Yong Chin Mee @ Yong Sai Kow:
25. “THAT a first and final single tier dividend of 3.5 sen per ordinary share be paid for the financial year ended 31 December 2017 on 19th July 2018 to members registered in the books of the Company on 29th June 2018.”
26. As there were no questions, Ordinary Resolution 1 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 2

Approval of Payment of RM350,000.00 as Directors’ Fees

27. The following Ordinary Resolution 2 was proposed by Mr Yong Chin Mee @ Yong Sai Kow and seconded by Ms Chee Swee Choo:
28. “That a sum of RM350,000.00 be approved as Directors’ fees to be paid to all Directors for the financial year ended 31 December 2017.”
29. As there were no questions, Ordinary Resolution 2 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 3

Approval of payment of Directors’ Remuneration and Benefits to Non-Executive Directors of the Company of up to RM836,500.00 from this Annual General Meeting until the next Annual General Meeting of the Company

30. The following Ordinary Resolution 3 was proposed by Ms Chee Swee Choo and seconded by Mr Yong Chin Mee @ Yong Sai Kow:
31. “That a sum of up to an amount of RM836,500.00 be approved as payment of Directors’ remuneration and benefits to Non-Executive Directors of the Company from this Annual General Meeting until the next annual general meeting of the Company.”
32. As there were no questions, Ordinary Resolution 3 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 4

Re-election of Dato’ Azaman Bin Abu Bakar as Director

33. The following Ordinary Resolution 4 was proposed by Mr Yong Chin Mee @ Yong Sai Kow and seconded by Ms Chee Swee Choo:
34. “That Dato’ Azaman Bin Abu Bakar who retired in accordance with Article 74 of the Company’s Constitution be and is hereby re-elected as Director of the Company.”

35. As there were no questions, Ordinary Resolution 4 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 5

Re-appointment of Auditors

36. The following Ordinary Resolution 5 was proposed by Mr Yong Chin Mee @ Yong Sai Kow and seconded by Ms Chee Swee Choo:
37. “That Messrs Grant Thornton Malaysia be and is hereby re-appointed as Auditors of the Company until the conclusion of the next annual general meeting and the Directors be authorized to fix their remuneration.”
38. As there were no questions, Ordinary Resolution 5 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

AS SPECIAL BUSINESS

ORDINARY RESOLUTION 6

Authority for Directors to issue shares pursuant to Section 75 and Section 76 of the Companies Act, 2016

39. The following Ordinary Resolution 6 was proposed by Mr Yong Chin Mee @ Yong Sai Kow and seconded by Ms Chee Swee Choo:
- “That pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”
40. As there were no questions, Ordinary Resolution 6 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 7

Retention of Datuk Nik Ibrahim Bin Nik Abdullah as Independent Non-Executive Director

41. The following Ordinary Resolution 7 was proposed by Mr Yong Chin Mee @ Yong Sai Kow and seconded by Ms Chee Swee Choo:
42. “That Datuk Nik Ibrahim Bin Nik Abdullah be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017 until the conclusion of the next annual general meeting.”

43. It was explained that since Datuk Nik Ibrahim Bin Nik Abdullah has been an Independent Director of the Company for more than 12 years, the voting on Resolution 7 will be obtained through a two-tier voting process in accordance with the Malaysian Code on Corporate Governance 2017.
44. As there were no questions, Ordinary Resolution 7 was put to a vote by poll. Shareholders were informed to cast their votes on the polling slips after the briefing on the polling procedures by the Company Secretary.
45. The Chairman invited the Company Secretary, Ms Goh Ching Yee to brief the meeting on the polling procedures.
46. The polling slips were collected by the Scrutineers for counting and verification.
47. The Chairman informed that the results would be announced after the Scrutineers had verified the polling slips. He proposed for the meeting to be adjourned for 45 minutes. The meeting has no objection to the adjournment.
48. The meeting resumed at 1.15 p.m. with the requisite quorum.
49. The Company Secretary, Ms Goh Ching Yee then read out the results of the poll on each resolution put to vote at the AGM as follows:

Ordinary Resolution 1 - To Declare a First and Final Single Tier Dividend of 3.5 sen per share

		Total Share	Total Percentage
Number of Votes "FOR"	:	206,056,965	100.00
Number of Votes "AGAINST"	:	0	0.00
Total No. of Votes Cast	:	<u>206,056,965</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 1 carried.

Ordinary Resolution 2 - To approve payment of Directors' fees of RM350,000 to Directors for financial year ended 31 December 2017

		Total Share	Total Percentage
Number of Votes "FOR"	:	206,026,165	99.99
Number of Votes "AGAINST"	:	30,700	0.01
Total No. of Votes Cast	:	<u>206,056,865</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 2 carried.

Ordinary Resolution 3 - To approve the payment of Directors' remuneration and benefits to Non-Executive Directors of up to an amount of RM836,500.00 from this Annual General Meeting until the next annual general meeting of the Company

		Total Share	Total Percentage
Number of Votes "FOR"	:	203,321,065	98.88
Number of Votes "AGAINST"	:	2,718,600	1.32
Total No. of Votes Cast	:	<u>206,039,665</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 3 carried.

Ordinary Resolution 4 - To re-elect Dato' Azaman Bin Abu Bakar as Director in Accordance with Article 74 of the Company's Constitution

		Total Share	Total Percentage
Number of Votes "FOR"	:	203,050,165	98.88
Number of Votes "AGAINST"	:	2,289,800	1.12
Total No. of Votes Cast	:	<u>205,339,965</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 4 carried.

Ordinary Resolution 5 - To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorize the Directors to fix their remuneration

		Total Share	Total Percentage
Number of Votes "FOR"	:	203,636,465	98.83
Number of Votes "AGAINST"	:	2,420,500	1.17
Total No. of Votes Cast	:	<u>206,056,965</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 5 carried.

Ordinary Resolution 6 - To authorize Directors to issue shares pursuant to Section 75 and Section 76 of the Companies Act, 2016

		Total Share	Total Percentage
Number of Votes "FOR"	:	203,269,865	98.65
Number of Votes "AGAINST"	:	2,787,100	1.35
Total No. of Votes Cast	:	<u>206,056,965</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 6 carried.

Ordinary Resolution 7 - To retain Datuk Nik Ibrahim Bin Nik Abdullah as Independent Non-Executive Director

Tier 1 (Large Holders)		Total Share	Total Percentage
Number of Votes "FOR"	:	114,594,400	100.00
Number of Votes "AGAINST"	:	0	0.00
Total No. of Votes Cast	:	<u>114,594,400</u>	<u>100.00</u>
Tier 2 (Other Holders)		Total Share	Total Percentage
Number of Votes "FOR"	:	88,782,290	97.08
Number of Votes "AGAINST"	:	2,670,275	2.92
Total No. of Votes Cast	:	<u>91,452,565</u>	<u>100.00</u>

The Chairman declared Ordinary Resolution 7 carried.

There being no further business, the meeting ended at 1.30 p.m. The Chairman thanked all the shareholders of Muda Holdings Berhad for their attendance and support.

**CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS AT THE MEETING:**

SIGNED

TAN SRI LIM GUAN TEIK
CHAIRMAN