



Minutes of the Forty Eighth Annual General Meeting of Muda Holdings Berhad held at the Conference Room, Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27th June 2019 at 11.00 a.m.

PRESENT

Directors

Dato' Azaman Bin Abu Bakar	Chairman of Meeting, as shareholder and proxy
Tan Sri Lim Guan Teik	Chairman of the Board and as shareholder
Datuk Lim Chiun Cheong	Managing Director and as shareholder
Datuk Nik Ibrahim Bin Nik Abdullah	Senior Independent Director, Chairman of Audit Committee and Chairman of Remuneration Committee
Mr Lee Khim Sin	Independent Director, as shareholder and Chairman of Nominating Committee
Mr Wong Choong Yee	Independent Director

Shareholders/Proxies

As per Attendance List attached

In Attendance

Ms Goh Ching Yee	Company Secretary
Ms Lam Yoke Teng	Company Secretary
Mr Wong Sheng Taur	Chief Financial Officer
Mr Wong Mun Chen	General Manager, Muda Paper Mills Sdn Bhd, Kajang
Mr Kok Boon Hong	General Manager, K F Paper Products (Melaka) Sdn Bhd
Dato' NK Jasani, Partner	] Grant Thornton Malaysia
Mr Desmond Tan, Partner	]
Ms Lim Chooi Ling	]
Mr Gerald Lee	]
Mr Yap Chee Yoong	]
Ms Cheang Siow Voon	] Quantegic Services Sdn Bhd, Scrutineers
Ms Yap Chon Yoke	]
Mr Brandon Wong	]
Ms Karen See	]
Mr Yau Yann Chuan	]
Mr Danon Kung	]
Mr Yap Wei Kien	] Digerati Technologies Sdn Bhd, Poll Administrators
Ms Siow Xian Ann	]
Mr Koh Choon Hou	]
Mr Lin Chun Kit	

1. Dato' Azaman Bin Abu Bakar, Executive Deputy Chairman of Muda Holdings Berhad, presided as Chairman of the Meeting and having noted that a quorum was present, called the Meeting to order.
2. The Chairman welcomed all those present at the meeting and introduced the members of the Board to the meeting. He brought to the notice of all present at the Meeting of the demise the Executive Director, the late Dato' Lim Wan Peng on 15 February 2019 who had tirelessly given his time and resources to the Company and that his presence was greatly missed at the meeting. The Meeting placed on record the invaluable contributions of the late Dato' Lim Wan Peng towards the progress of the Company.
3. With the permission of the meeting, the notice convening the 48th Annual General Meeting ("AGM") was agreed to be taken as read.
4. The Chairman informed that in his capacity as Chairman of the Meeting, he had been appointed proxy by a number of shareholders and that he would be voting in accordance with their instructions and where a proxy was given without any instructions, he would vote in favour of all resolutions.
5. The Chairman informed that as required under Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM shall be put to vote by way of a poll.
6. The Chairman informed 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.

**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS
AND THE AUDITORS THEREON**

7. The Meeting was informed that the 2018 Annual Report containing the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon have been sent to all shareholders on 30th April 2019.
8. The Meeting noted that in accordance with the Companies Act, 2016 and the Company's Constitution, the Audited Financial Statements need not be formally approved by shareholders. As such, the Audited Financial Statements were not put forth for voting but was tabled for discussion.
9. The Chairman invited questions from shareholders on the Reports and Financial Statements for the financial year ended 31 December 2018.
10. In response to the questions raised on the increase in inventory by almost RM40.0million, the Managing Director reported that the increase consisted mostly of paper rolls and was due to slower sales experienced in the later part of 2018. But the inventory of paper rolls have since declined substantially due to higher sales in the month of April and May 2019 and is at a manageable level.
11. In response to the question put forth, the Managing Director informed that total output was from the Paper Mill Division and Carton Division in 2018 amounted to 450,000 metric ton and 174,000 metric ton respectively. The output from the Paper Mill Division will increase to 500,000 metric ton in 2019 after completion of upgrading of one of the paper machines at Tasek Mill, Penang.

12. Responding to a shareholder's question on the impact of higher price of virgin pulp on the Group, the Managing Director explained that the machine glazed paper manufactured from virgin pulp accounted for only about 2% of the Group's turnover and hence the impact of higher price of virgin pulp on the cost of production was negligible. The Managing Director recommended the website "Pulp and Paper International" for tracking of paper and recovered paper prices.
13. In response to the question on the impact of the US-China trade tension on the Group, the Managing Director explained that selling price of the Group's major products such as corrugating medium and testliner dropped by almost RM300.00 per metric ton but the decline was cushioned by the lower cost of recovered paper by about RM200.00 per metric ton. The situation is very well managed as reflected in the financial results of the Group for the first quarter of 2019 which was comparable to that of the same period in 2018.
14. On the concern of environmental issues arising from the Group's manufacturing processes, the Managing Director explained that waste water from the paper making process were treated through a series of chemical and biological treatment process to attain the quality standards set by the Department of Environment before discharge to the river. He emphasized that the quality of waste water discharged from the Group's mills were consistently within the perimeters imposed by the Department of Environment. He added that ordinary sludge and biological waste from the paper making process were properly disposed at approved ordinary landfills and approved sanitary landfills. Ink waste from the carton plants were treated to powder residue and sent to Government approved agents for burning.
15. In reply to an enquiry, the Managing Director informed that the Group has increased the capacity of its carton plants in Melaka and Johor with the installation of two new corrugating machines at the end of last year and one of the paper machines at the paper mill in Penang was being upgraded.
16. The Managing Director explained that the core strength of the Group lies with its 50 years of experience in the paper making and carton industry and available capacity although the tight labor situation may be of concern. Going forward, the Group will be looking at automation to reduce reliance on workers and to also improve productivity. Currently foreign labor accounted for about 30% of its total workforce.
17. The Meeting was informed that the Group imports only sorted OCC and does not have any pollution issues with the Department of Environment and that some of the Group's finished products were exported to Australia, New Zealand, Middle East, Europe and Africa.
18. In reply to a question from the floor, Mr Desmond Tan from Grant Thornton Malaysia replied that during the audit process, reasonableness of purchase price will be determined by comparing against international paper prices and that the purchase of imported sorted recovered paper by the Group were in accordance with international price trend.
19. In response to the enquiry from the floor on the changes to the new Constitution, the Company Secretary highlighted some of the key changes such as removal of the capital clause i.e. authorised capital as it is no longer relevant, meeting of members may be convened at more than one venue using technology to facilitate voting in absentia and remote shareholders' participation at General Meetings, the use of electronic means to issue documents such as notice of meeting and annual report, alignment of vacation of office of director with the Companies Act 2016 and Bursa Listing Requirements, to allow for convening of board of directors' meeting by telephone conferencing.

ORDINARY RESOLUTION 1

Declaration of a First and Final Single Tier Dividend of 4.5 Sen per Ordinary Share

20. It was duly proposed and seconded that:
21. "THAT a first and final single tier dividend of 4.5 sen per ordinary share for the financial year ended 31 December 2018 be paid on 16 July 2019 to depositors and members listed in the Record of Depositors and Register of Members as at 1st July 2019 ."
22. 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 had been dealt with.

ORDINARY RESOLUTION 2

Approval of Payment of RM415,000.00 as Directors' Fees

23. It was duly proposed and seconded that:
24. "That a sum of RM415,000.00 be approved as payment of Directors' fees to the Directors for the financial year ended 31 December 2018."
25. 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 RM850,000.00 from this Annual General Meeting until the next Annual General Meeting of the Company

26. It was duly proposed and seconded that:
27. "That an amount of RM850,000.00 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."
28. 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 Datuk Lim Chiun Cheong as Director

29. It was duly proposed and seconded that:
30. "That Datuk Lim Chiun Cheong who retired in accordance with Article 74 of the Company's Constitution be and is hereby re-elected as Director of the Company."
31. 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-election of Mr Lee Khim Sin as Director

32. It was duly proposed and seconded that:
33. “That Mr Lee Khim Sin who retired in accordance with Article 74 of the Company’s Constitution be and is hereby re-elected as Director of the Company.”
34. 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.

ORDINARY RESOLUTION 6
Re-election of Mr Wong Choong Yee as Director

35. It was duly proposed and seconded that:
36. “That Mr Wong Choong Yee who retired in accordance with Article 79 of the Company’s Constitution be and is hereby re-elected as Director of the Company.”
37. 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
Re-appointment of Auditors

38. It was duly proposed and seconded that:
39. “That 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.”
40. 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 last resolution on the agenda has been dealt with.

ORDINARY RESOLUTION 8
Authority for Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016

41. It was duly proposed and seconded that:
- “That pursuant to Section 75 and 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.”
42. As there were no questions, Ordinary Resolution 8 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 9

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

43. It was duly proposed and seconded that:
44. “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.”
45. As there were no questions, Ordinary Resolution 9 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.

SPECIAL RESOLUTION 10

Adoption of a New Constitution

46. It was duly proposed and seconded that:
47. “THAT the proposed new Constitution as set out in Appendix A be and is hereby adopted as the Constitution of the Company in place of the existing Memorandum and Articles of Association AND THAT the Directors are authorised to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”
48. As there were no questions, Special Resolution 10 was put to a vote by poll.
49. The Chairman highlighted that Resolution No. 1 to 9 were ordinary resolutions and would be passed if more than 50 per cent of the votes were cast in favour the resolutions and that Special Resolution No. 10 would be passed if more than 75 per cent of the votes were cast in favour of the resolution.
50. Shareholders casted their votes on the polling slips which were collected by the Scrutineers for counting and verification.
51. With the consent of the Meeting, the Chairman adjourned the Meeting for 45 minutes for the Scrutineers to count and verify the polling slips.
52. The meeting resumed at 12.25 p.m. with the requisite quorum and as directed by the Chairman, the Company Secretary read the results of the poll on each resolutions put to vote at the AGM as follows:

Ordinary Resolution 1 - To Approve Payment of a First and Final Single Tier Dividend of 4.5 sen per share

		Total Share	Total Percentage
Number of Votes “FOR”	:	202,167,600	100.000
Number of Votes “AGAINST”	:	0	0.000
Total No. of Votes Cast	:	<u>202,167,600</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 1 carried.

Ordinary Resolution 2 - To Approve Directors' fees of RM415,000.00 for financial year ended 31 December 2018

		Total Share	Total Percentage
Number of Votes "FOR"	:	199,874,700	98.866
Number of Votes "AGAINST"	:	2,292,900	1.134
Total No. of Votes Cast	:	<u>202,167,600</u>	<u>100.000</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 the Company of up to an amount of RM850,000.00 from this Annual General Meeting until the next Annual General Meeting of the Company

		Total Share	Total Percentage
Number of Votes "FOR"	:	199,452,100	98.850
Number of Votes "AGAINST"	:	2,320,200	1.150
Total No. of Votes Cast	:	<u>201,772,300</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 3 carried.

Ordinary Resolution 4 - To re-elect Datuk Lim Chiun Cheong pursuant to Article 74 of the Company's Constitution

		Total Share	Total Percentage
Number of Votes "FOR"	:	202,167,600	100.000
Number of Votes "AGAINST"	:	0	0.000
Total No. of Votes Cast	:	<u>202,167,600</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 4 carried.

Ordinary Resolution 5 - To re-elect Mr Lee Khim Sin pursuant to Article 74 of the Company's Constitution

		Total Share	Total Percentage
Number of Votes "FOR"	:	194,393,200	96.343
Number of Votes "AGAINST"	:	7,379,100	3.657
Total No. of Votes Cast	:	<u>201,772,300</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 5 carried.

Ordinary Resolution 6 - To re-elect Mr Wong Choong Yee pursuant to Article 79 of the Company's Constitution

		Total Share	Total Percentage
Number of Votes "FOR"	:	199,482,400	98.865
Number of Votes "AGAINST"	:	2,289,900	1.135
Total No. of Votes Cast	:	<u>201,772,300</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 6 carried.

Ordinary Resolution 7 - 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"	:	194,354,900	96.324
Number of Votes "AGAINST"	:	7,417,400	3.676
Total No. of Votes Cast	:	<u>201,772,300</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 7 carried.

Ordinary Resolution 8 - To authorize Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016

		Total Share	Total Percentage
Number of Votes "FOR"	:	202,165,600	99.999
Number of Votes "AGAINST"	:	2,000	0.001
Total No. of Votes Cast	:	<u>202,167,600</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 8 carried.

Ordinary Resolution 9 - To retain Datuk Nik Ibrahim Bin Nik Abdullah as Independent Non-Executive Director

		Total Share	Total Percentage
<u>Tier 1</u>			
Number of Votes "FOR"	:	110,863,400	100.000
Number of Votes "AGAINST"	:	0	0.000
Total No. of Votes Cast	:	<u>110,863,400</u>	<u>100.000</u>
<u>Tier 2</u>			
Number of Votes "FOR"	:	88,075,700	96.883
Number of Votes "AGAINST"	:	2,833,200	3.117
Total No. of Votes Cast	:	<u>90,908,900</u>	<u>100.000</u>

The Chairman declared Ordinary Resolution 9 carried.

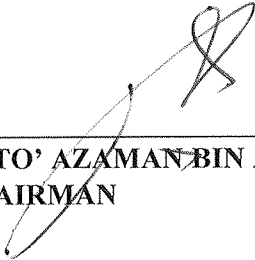
Special Resolution 10 - To adopt a New Constitution

		Total Share	Total Percentage
Number of Votes "FOR"	:	202,167,600	100.000
Number of Votes "AGAINST"	:	0	0.000
Total No. of Votes Cast	:	<u>202,167,600</u>	<u>100.000</u>

The Chairman declared Special Resolution 10 carried.

There being no further business, the meeting ended at 12.35 p.m. The Chairman thanked all the shareholders of Muda Holdings Berhad for their attendance and support.

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



**DATO' AZAMAN BIN ABU BAKAR
CHAIRMAN**