



MUDA HOLDINGS BERHAD

(Company No. 197101000036/10427-A)

Minutes of the 49th Annual General Meeting of Muda Holdings Berhad (“the Company”) held on Wednesday, 12th August 2020 at 11.00a.m. at the broadcast venue at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Malaysia

Members of the Board of Directors present:

1. Tan Sri Lim Guan Teik
(Non-Independent, Non-Executive Chairman)
Present at broadcast venue
2. Dato' Azaman Bin Abu Bakar
(Non-Independent, Executive Deputy Chairman)
(Also, as Chairman of the Meeting)
Present at broadcast venue
3. Datuk Lim Chiun Cheong
(Non-Independent, Managing Director)
Present at broadcast venue
4. Datuk Nik Ibrahim Bin Nik Abdullah
(Independent, Non-Executive Director)
Participated remotely
5. Mr Lee Khim Sin
(Independent, Non-Executive Director)
Participated remotely
6. Mr Wong Choong Yee
(Independent, Non-Executive Director)
Participated remotely
7. Ms Lim Siew Ling
(Non-Independent, Non-Executive Director)
Participated remotely
8. Ms Lim Yen Wee
(Non-Independent, Non-Executive Director)
Participated remotely

In Attendance

Ms Goh Ching Yee, Company Secretary
Mr Wong Sheng Taur, Chief Financial Officer
(Present at broadcast venue)

Mr Desmond Tan
Mr Kishan Jasani
Mr Gerald Lee Yik Loong
Ms Nicole Ting
(From Grant Thornton Malaysia PLT)
(Participated remotely)

Mr Wong Mun Chen
(Senior General Manager, Muda Paper Mills Sdn Bhd)
Ms Lam Yoke Teng
(Joint Company Secretary)
(Participated remotely)

Attendance of Shareholders:

107 shareholders and 10 proxies participated in the virtual AGM.

Chairman of Meeting

Dato' Azaman Bin Abu Bakar ("Chairman of the Meeting") being the Executive Deputy Chairman of the Company, was in the chair and commenced proceedings of the 49th Annual General Meeting ("AGM") of the Company.

The Chairman of the Meeting welcomed the shareholders, proxies, the Board of Directors, senior management and external auditor of the Company to the AGM from various locations through live streaming.

The Chairman of the Meeting informed that the AGM was conducted in a virtual manner for the safety and health of the shareholders and employees during the Covid-19 pandemic.

Thereafter, the Chairman of the Meeting proceeded to introduce the Chairman of the Company, the Managing Director, the Company Secretary and Chief Financial Officer who were seated with him and five other members of the Board who were attending the AGM via video conferencing including the External Auditors, senior management and another Company Secretary.

Quorum

The Company Secretary confirmed that the quorum was present and that a total of 37 proxy forms from shareholders for a total of 195,314,073 ordinary shares representing 64.03% of the issued share capital were received and out of which 16 shareholders appointed the Chairman of the Meeting as proxy to vote on their behalf for a total of 3,500,623 ordinary shares representing 1.15% of the issued share capital of the Company.

As the requisite quorum was present, the Chairman called the meeting to order.

Notice of Annual General Meeting

The Notice of AGM dated 25 June 2020 which was circulated within the statutory period, was taken as read.

Resolutions to be voted on by Poll

The Chairman of the Meeting then informed that in accordance with Paragraph 8.29 (A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions contained in the Notice of AGM would be voted on by poll which would be conducted electronically via the Remote Participation and Voting ("RPV") facility provided by Boardroom Share Registrars Sdn Bhd, the appointed poll administrators and would be verified by GovernAce Advisory & Solutions Sdn Bhd who had been appointed as the independent scrutineers.

Demand for a Poll

The Chairman of the Meeting demanded for a poll to be taken for all the resolutions in accordance with the Company's Constitution and invited the poll administrator to explain the procedure for electronic voting.

Agenda of the AGM As Ordinary Business

The Chairman of the Meeting presented the agenda of the AGM as follows:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Report thereon

The Chairman of the Meeting informed that the first item on the Agenda was for discussion only as Section 340 of the Companies Act, 2016 did not require a formal approval of shareholders and hence would not be put to a vote.

The Chairman of the Meeting informed that the Company had received questions prior to and during the AGM. The questions received were moderated to avoid repetitions and was summarized for clarity.

The Chairman of the Meeting also invited the Managing Director to address some of the questions received from the shareholders/proxies.

A Summary of the questions from shareholders/proxies together with the summarized responses by the Company were annexed hereto and marked as Annexure A.

The Chairman of the Meeting declared that the Audited Financial Statements for the Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Report thereon had been properly laid and received before the Annual General Meeting.

2. Ordinary Resolution 1

To approve the payment of a First and Final Single Tier Dividend of 4.0 sen per share for the financial year ended 31 December 2019

The Chairman of the Meeting tabled Ordinary Resolution 1 to approve the payment of a First and Final Single Tier Dividend of 4.0 sen per share for the financial year ended 31 December 2019 to be voted on by poll.

3. Ordinary Resolution 2

To approve the payment of Directors' fees of RM370,000.00 to Directors of the Company in respect of financial year ended 31 December 2019

The Chairman of the Meeting tabled Ordinary Resolution 2 to approve payment of Directors' fees of RM370,000.00 to Directors of the Company in respect of financial year ended 31 December 2019 to be voted on by poll.

4. Ordinary Resolution 3

To approve the payment of Directors' remuneration and benefits to Non-Executive Directors of up to an amount of RM1,450,000.00 from this AGM to the next annual general meeting of the Company

The Chairman tabled Ordinary Resolution 3 to approve the payment of Directors' remuneration and benefits to Non-Executive Directors of up to an amount of RM1,450,000.00 from this AGM to the next annual general meeting of the Company to be voted on by poll.

5. Ordinary Resolution 4

To re-elect Tan Sri Lim Guan Teik who retires in accordance with Article 81 of the Company's Constitution

The Chairman of the Meeting tabled Ordinary Resolution 4 for the re-election Tan Sri Lim Guan Teik who retired in accordance with Article 81 of the Company's Constitution to be voted on by poll.

6. Ordinary Resolution 5

To re-elect Datuk Nik Ibrahim Bin Nik Abdullah who retires in accordance with Article 81 of the Company's Constitution

The Chairman of the Meeting tabled Ordinary Resolution 5 for the re-election Datuk Nik Ibrahim Bin Nik Abdullah who retired in accordance with Article 81 of the Company's Constitution to be voted on by poll.

7. Ordinary Resolution 6
To re-elect Ms Lim Siew Ling who retires in accordance with Article 85 of the Company's Constitution

The Chairman of the Meeting tabled Ordinary Resolution 6 for the re-election Ms Lim Siew Ling who retired in accordance with Article 85 of the Company's Constitution to be voted on by poll.

8. Ordinary Resolution 7
To re-elect Ms Lim Yen Wee who retires in accordance with Article 85 of the Company's Constitution

The Chairman of the Meeting tabled Ordinary Resolution 7 for the re-election Ms Lim Yen Wee who retired in accordance with Article 85 of the Company's Constitution to be voted on by poll.

9. Ordinary Resolution 8
To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to the authorize the Directors to fix their remuneration

The Chairman of the Meeting tabled Ordinary Resolution 8 for the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to the authorize the Directors to fix their remuneration to be voted on by poll.

As Special Business

10. Ordinary Resolution 9
That pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorized 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."

The Chairman of the Meeting tabled Ordinary Resolution 9 that pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorized 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 to be voted on by poll.

11. Ordinary Resolution 10

That subject to the passing of Ordinary Resolution 5, 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.

The Chairman of the Meeting tabled Ordinary Resolution 10 for Datuk Nik Ibrahim Bin Nik Abdullah to 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 to be voted by poll.

The meeting then proceeded with electronic voting and shareholders/proxies were given 10 minutes to cast their vote electronically.

Announcement of Poll Results

At 11.40 a.m., the Chairman reconvened the meeting for the declaration of poll results which have been verified by the independent scrutineers, as follows:-

Resolution	Vote For			Vote Against			Votes Total
	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%	
1	132	199,888,509	99.9990	4	1,989	0.0010	199,890,498
2	107	199,850,310	99.9799	29	40,188	0.0201	199,890,498
3	105	199,849,300	99.9794	31	41,198	0.0206	199,890,498
4	119	199,565,252	99.8373	17	325,245	0.1627	199,890,498
5	118	199,867,152	99.9883	18	23,346	0.0117	199,890,498
6	119	199,564,853	99.8371	17	325,645	0.1629	199,890,498
7	118	199,564,653	99.8370	18	325,645	0.1630	199,890,498
8	124	199,883,103	99.9983	11	3,395	0.0017	199,890,498
9	119	199,873,880	99.9917	17	16,618	0.0083	199,890,498
10	118	199,867,033	99.9983	18	23,465	0.0017	199,890,498
10 – Tier 1	7	118,635,513	100.000	0	0	0.00	118,635,513
10 – Tier 2	111	81,231,520	99.9711	18	23,465	0.0289	81,254,985

Based on the poll results, the Chairman of the Meeting declared that all the resolutions tabled at the AGM were carried:-

It was **RESOLVED** as follows:-

Ordinary Resolution 1

THAT the payment of a First and Final Single Tier Dividend of 4.0 sen per share for the financial year ended 31 December 2019 be approved.

Ordinary Resolution 2

THAT the payment of Directors' fees of RM370,000.00 to Directors of the Company in respect of financial year ended 31 December 2019 be approved.

Ordinary Resolution 3

THAT the payment of Directors' remuneration and benefits to Non-Executive Directors of up to an amount of RM1,450,000.00 from this Annual General Meeting to the next annual general meeting of the Company be approved.

Ordinary Resolution 4

THAT Tan Sri Lim Guan Teik who retired in accordance with Article 81 of the Company's Constitution, be hereby re-elected as Director of the Company.

Ordinary Resolution 5

THAT Datuk Nik Ibrahim Bin Nik Abdullah who retired in accordance with Article 81 of the Company's Constitution, be hereby re-elected as Director of the Company.

Ordinary Resolution 6

THAT Ms Lim Siew Ling who retired in accordance with Article 85 of the Company's Constitution, be hereby re-elected as Director of the Company.

Ordinary Resolution 7

THAT Ms Lim Yen Wee who retired in accordance with Article 85 of the Company's Constitution, be hereby re-elected as Director of the Company.

Ordinary Resolution 8

THAT the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to the authorize the Directors to fix their remuneration be approved.

Ordinary Resolution 9

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.

Ordinary Resolution 10

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.

Closure of Meeting

There being no other business, the meeting was duly concluded at 11.55 a.m.

Signed as correct record of proceedings:-

SIGNED

DATO' AZAMAN BIN ABU BAKAR
Chairman of the Meeting



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(Company No. 197101999936/10427-A)

Annexure A

To Minutes of 49th Annual General Meeting of Muda Holdings Berhad

Summary of Shareholders' Questions Received and the Summarised Company's Responses

- i. Questions received prior to the AGM from Mr Lim San Kim, a shareholder on whether the Company can produce paper bag with good profit to replace plastic bags used in supermarkets?

The Chairman of the Meeting informed that the Group has been producing paper bags.

- ii. There were several enquiries from shareholders, received prior to and during the AGM regarding the e-wallet, e-vouchers and shopping vouchers for remote participants during the difficult time of Covid-19 pandemic.

The Chairman of the Meeting replied that e-wallets would not be issued. However, when the Company resumed physical annual general meeting in the future door gifts and refreshments would be provided. As long as the Covid-19 pandemic is around virtual annual general meetings would be norm.

- iii. Question received during the AGM from Ms Teh Sue Wei on how much was incurred to convene the virtual AGM.

The Chairman of the Meeting informed that the expenses incurred for the virtual AGM was lower than convening a physical annual general meeting.

- iv. Question received from Ms Ooi Len Heong on how has the Covid-19 and lock down in Malaysia and other countries impacted the Company's revenue, profitability, production, supply chain, customers' demand and collection from trade receivables.

The Managing Director replied that the Group were granted approval by the Ministry of International Trade and Industry to operate with an initial workforce of 50% during the Movement Control Order as the Group was considered as part of the essential services. The Group has also put in place strict standard operating procedures. The Group had resumed normal operations since 29 April 2020. There were no disruptions to the supply chains as all materials were locally sourced. There were also no long outstanding receivables which were of concern.

- v. Questions received during the meeting from Mr Tan Zhi How have been summarised as follows: -
- (a) Can the Board brief on price trend of virgin pulp and recycled paper?
 - (b) How has MCO affected the Company's business?
 - (c) How is the corrugated plant operation as there were more machines added?
 - (d) What were the overall mills and corrugated plants utilisation rate?
 - (e) Has Muda's business improved since lockdown of many countries, especially without paper from Korea and Japan flooding the local market?
 - (f) What is the average selling price trend of Muda's semi-finished products and corrugated cartons?
 - (g) How has US-China trade war impacted Muda positively

The Company's response to the questions above have been summarised as follows: -

- (a) The price trend of virgin pulp has been on a downtrend in the last twelve months. Price of waste paper had been volatile and was hovering around USD100/mt to USD150/mt and stabilised at USD110/mt recently.
- (b) As explained earlier, the Group were granted approval by the Ministry of International Trade and Industry to operate with an initial workforce of 50% during the Movement Control Order as the Group was considered as part of the essential services. The Group has also put in place strict standard operating procedures. The Group had resumed normal operations since 29 April 2020. There were no disruptions to the supply chains as all materials were locally sourced. There were also no long outstanding receivables which were of concern.
- (c) All the new corrugating machines had been operation.
- (d) The paper mills and corrugating plants were operating at 70% to 100% capacity depending on the locality.
- (e) Sales was affected slightly by dumping of corrugating medium and test liner by Korea and Japan mills to Malaysia and hence selling price has dampened marginally.
- (f) The average selling price of paper and corrugated carton have been stable in the last six months.
- (g) The US-China trade war did not have any significant impact on the Group as sales was at 90% of last year level.

- vi. Question received during the AGM from Ms Chea Ah Chun on why the Company did not invest in Top Glove, Supermax in the Rubber Glove and also companies in health care products.

The Chairman of the Meeting explained that the Group has always prioritise on its manufacturing activities and would not invest in companies that were unrelated to its core business.

- vii. Question received during the AGM from Ms Ooi Len Heong on why was there an impairment of partially erected paper machines in 2019 and is there any chances of reversal of the impairment.

The Chairman explained that the impairment of partially erected paper machines was made in 2019 in view of change in market trend and competition and the high cost of bring the machines into operation. The project could be reconsidered if the market trend and competition change in the future.
