



MUDA HOLDINGS BERHAD

(Company No. 197101000036/10427-A)

Minutes of the 50th Annual General Meeting of Muda Holdings Berhad (“the Company” or “Muda”) held entirely on a virtual basis on Tuesday, 29th June 2021 at 11.00 a.m. through Online Meeting Platform in Malaysia @ <https://agm.digerati.com.my/muda-online>.

Members of the Board of Directors who participated remotely:

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

Other Remote Attendees

Ms Goh Ching Yee, Company Secretary
Ms Lam Yoke Teng, Company Secretary
Mr Wong Sheng Taur, Chief Financial Officer
Mr Desmond Tan] From Grant
Mr Kishan Jasani] Thornton Malaysia
Mr Gerald Lee Yik Loong] PLT
Ms Cheang Siow Voon } From Quantegic Services
Ms Yap Chon Yoke } Sdn Bhd, Scrutineers

Attendance of Shareholders:

26 shareholders and/or proxies participated in the 50th Annual General Meeting (“50th AGM”).

Chairman of Meeting

Dato’ Azaman Bin Abu Bakar being the Chairman of the Meeting, welcomed the shareholders, proxies, the Board of Directors and external auditors of the Company to the 50th AGM.

The Chairman of the Meeting informed that in view of the COVID-19 pandemic and the current MCO 3.0 Phase 1 and with the safety of the Company’s shareholders, employees and Directors of primary concern, the Board has decided that the 50th AGM of the Company be conducted entirely on a virtual basis via Remote Participation and Voting (“RPV”) facilities.

He emphasised that the meeting venue for the 50th AGM is through the Online Meeting Platform in Malaysia which is recognized as the meeting venue or place under Section 327 (2) of the Companies Act, 2016 if the platform is located in Malaysia.

Thereafter, the Chairman of the Meeting proceeded to introduce the members of the Board and informed that Chief Financial Officer, Mr ST Wong, the Company Secretary, Madam Janet Goh and three (3) representatives from Messrs Grant Thornton Malaysia PLT also participated in the 50th AGM remotely.

Quorum

The Company Secretary confirmed that the quorum was present and that a total of 105 proxy forms from shareholders for a total of 203,649,403 ordinary shares representing 66.85% of the issued share capital were received and out of which 30 shareholders appointed the Chairman of the Meeting as proxy to vote on their behalf for a total of 118,720,912 ordinary shares representing 38.92% of the issued share capital of the Company.

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

Notice of 50th Annual General Meeting

The Notice of 50th AGM dated 30 April 2021 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at the 50th AGM would be voted on by poll which would be conducted electronically via the RPV facilities provided by Digerati Technology Sdn Bhd, the appointed poll administrators and would be verified by Quantegic Services Sdn Bhd who has been appointed as 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.

Agenda of the 50th AGM As Ordinary Business

The Chairman of the Meeting presented the agenda of the 50th AGM as follows:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 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 does not require a formal approval of shareholders and hence would not be put to a vote.

The Chairman of the Meeting declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors' Report thereon had been properly laid and received by shareholders and proxy holders.

**2. Ordinary Resolution 1
To approve the payment of a First and Final Single Tier Dividend of 5.0 sen per share for the financial year ended 31 December 2020**

The Chairman of the Meeting tabled Ordinary Resolution 1 to approve the payment of a First and Final Single Tier Dividend of 5.0 sen per share for the financial year ended 31 December 2020 to be voted on by poll.

**3. Ordinary Resolution 2
To approve the payment of Directors' fees of RM480,000.00 to Directors of the Company in respect of financial year ended 31 December 2020**

The Chairman of the Meeting tabled Ordinary Resolution 2 to approve the payment of Directors' fees of RM480,000.00 to Directors of the Company in respect of financial year ended 31 December 2020 to be voted on by poll.

**4. Ordinary Resolution 3
To approve the payment of benefits to Non-Executive Directors of up to an amount of RM1,540,000.00 from this AGM until the next AGM of the Company**

The Chairman tabled Ordinary Resolution 3 to approve the payment of benefits to Non-Executive Directors of up to an amount of RM1,540,000.00 from this AGM until the next AGM of the Company to be voted on by poll.

5. Ordinary Resolution 4

To re-elect Dato' Azaman Bin Abu Bakar 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 of Dato' Azaman Bin Abu Bakar 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 Mr Lee Khim Sin 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 of Mr Lee Khim Sin who retired in accordance with Article 81 of the Company's Constitution to be voted on by poll.

7. Ordinary Resolution 6

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

The Chairman of the Meeting tabled Ordinary Resolution 6 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 authorize the Directors to fix their remuneration to be voted on by poll.

As Special Business

8. Ordinary Resolution 7

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 7 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.

9. Ordinary Resolution 8

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.

The Chairman of the Meeting tabled Ordinary Resolution 8 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 on by poll.

Question & Answer Session

The Chairman of the Meeting informed that the Company had received questions prior to and during the AGM. 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.

Electronic Voting

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

Announcement of Poll Results

At 11.44 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		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1	88	203,444,018	100.0000	0	0	0.0000
2	79	203,220,861	99.9903	8	19,757	0.0097
3	74	203,179,559	99.9699	13	61,059	0.0300
4	78	202,888,810	99.7271	10	555,208	0.2729
5	81	203,421,212	99.9888	7	22,806	0.0112
6	83	203,218,066	99.8889	5	225,952	0.1111
7	78	203,388,665	99.9728	10	55,353	0.0272
8 – Tier 1	7	118,635,513	100.0000	0	0	0.0000
8 – Tier 2	70	84,581,947	99.7329	11	226,558	0.2671

Based on the poll results, the Chairman of the Meeting declared that all the resolutions tabled at the 50th AGM were carried:-

It was **RESOLVED** as follows:-

Ordinary Resolution 1

THAT the payment of a First and Final Single Tier Dividend of 5.0 sen per share for the financial year ended 31 December 2020 be approved.

Ordinary Resolution 2

THAT the payment of Directors' fees of RM480,000.00 to Directors of the Company in respect of financial year ended 31 December 2020 be approved.

Ordinary Resolution 3

THAT the payment of benefits to Non-Executive Directors of up to an amount of RM1,540,000.00 from this annual general meeting to the next annual general meeting of the Company be approved.

Ordinary Resolution 4

THAT Dato' Azaman Bin Abu Bakar 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 Mr Lee Khim Sin 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 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 authorize the Directors to fix their remuneration be approved.

Ordinary Resolution 7

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 8

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 11.45 a.m.

Signed as correct record of proceedings:-

DATO' AZAMAN BIN ABU BAKAR
Chairman of the Meeting



MUDA HOLDINGS BERHAD

(Company No. 197101000036/10427-A)

Annexure A

To Minutes of the 50th Annual General Meeting of Muda Holdings Berhad

Summary of Shareholders' Questions Received and Company's Responses

1. In response to the several enquiries from shareholders/proxies/corporate representatives on e-wallet, food vouchers, Touch & Go credit, door gifts etc for remote participants during the difficult time of Covid-19 pandemic, the Chairman of the Meeting informed that e-wallets, Touch & Go credit would not be given. However, should the Company revert to physical annual general meeting in the future, door gifts and refreshments could be considered. Going forward and with the on-going Covid-19 pandemic, virtual annual general meetings would eventually be the norm.
2. The issues raised by shareholders/proxies/corporate representatives and responded by the Company were as follows:-
 - (a) In response to a comment that Muda stocks persistently trading below NTA in its entire listing history and the Board's and Management's plan to improve investor relations communication and transparency to its minority shareholders, the Chairman of the Meeting explained that share price of the Company's stock is dictated by market forces which is beyond the Company's control. The Company has engagements with fund managers on quarterly basis.
 - (b) On the question of privatisation of the Company, the Chairman of the Meeting informed privatisation of the Company is not appropriate for now.
 - (c) On the question of percentage of revenue derived from local market and export market, the Managing Director informed that 85% of the Group's revenue are from local sales with the balance of 15% from export sales.
 - (d) In response to the comment that the Chinese plants in Malaysia will dump their finished products at lower price in Malaysia, the Managing Director explained that some of these Chinese plants in Malaysia are producing paper which differed from the Muda Group and moreover, those producing similar products as the Muda Group were selling at prevailing market price. A majority of the Chinese paper mills in Malaysia were in the manufacture of recycled pulp for export back to China for their own consumption. The Group has always kept abreast of the activities of these Chinese paper mills in Malaysia.
 - (e) In response to the question of raising average selling prices of the Group's products, the Meeting was informed that selling price has been increased since September 2020 to May 2021 by RM550/mt to RM600/mt.

- (f) In response to the question raised, the Managing Director informed that utilisation rate of the paper mills and corrugated plants ranged between 85% to 90% and 50% to 90% respectively. In addition, one of the corrugating machine in Penang was upgraded in May 2021 to increase output capacity by 30% by the last quarter of 2021 and a new corrugating machine will be installed in Melaka to also increase output capacity.
- (g) As to whether the Company will consider any bonus issue or warrant to pare down the borrowings and for the purpose of future Merger & Acquisition funding, the Chairman of the Meeting informed that no bonus issue or warrants were being considered for the time being.
- (h) As to whether the Company will consider change of external auditors, the Chairman of the Meeting replied that the Company has no plans to change the external auditors.
- (i) With regards to the enquiry on the comparison of cost for holding virtual and physical annual general meeting, the Chairman of the Meeting explained that the cost to hold a virtual annual general meeting is much lower than a physical meeting.
- (j) As to whether the Company will diversify into the food, drink, technology and virus vaccine business as the current trend of going paperless might affect the Group's paper business, the Chairman of the Meeting explained that the Group will focus on its core business of production industrial grade paper which is not affected by the current paperless trend. He further added that the Group has no intention of diversifying into the food, drink, technology and virus vaccine business due to lack of expertise.
- (k) In response to the enquiry on whether the Company intends to improve the performance of the China operations, the Managing Director explained that there is no intention to expand its operations in China.
- (l) On the question of the percentage of the recycled paper sourced locally and percentage of import of virgin pulp, the Managing Director explained that currently 75% of old corrugated cartons were sourced locally with 25% imported from Europe and United States. 100% of the virgin pulp used in production were imported from Indonesia, Chile and Russia.
- (m) On the question of operating during the Movement Control Order, the Managing Director informed that the Group was granted approval by the Ministry of International Trade and Industry to operate with 60% workforce during the Movement Control Order and paper mills were operating at 80% capacity. Sales of the Carton Plants in the Group were affected by 40% to 50% in the second week of the lockdown as many customers chose to close their business temporarily due to imposition of strict standard operating procedures during the Movement Control Order.