

KWANTAS CORPORATION BERHAD

Registration No. 199501027397 (356602-W)

(Incorporated in Malaysia)

MINUTES OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING HELD AT K-63A-3RD FLOOR, SIGNATURE OFFICE, KK TIMES SQUARE, OFF COASTAL HIGHWAY, 88100 KOTA KINABALU, SABAH, MALAYSIA ON FRIDAY, 29TH NOVEMBER 2019 AT 2:30 P.M

PRESENT : DIRECTORS

Datuk Ismail Abdullah
Mr Kwan Ngen Wah
Dato' Chong Kan Hiung
Mdm Kwan Jin Nget
Mdm Kwan Min Nyet
Mr Petrus Gimbad
Mr Ooi Jit Huat

MEMBERS

5 members present in person (including Directors)

PROXY

3 members appointed the Chairman of the meeting as proxy
9 proxies present in person

BY INVITATION

Mr Chau Man Kit	-	PKF Partner
Ms Terrie Wong	-	PKF Senior Audit In-Charge
Ms Wong Lee Fun	-	Independent Scrutineer

IN ATTENDANCE

Mdm Kwan Fei Fen	-	Company Secretary
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Before commencing the 24th Annual General Meeting of the Company, Chairman welcomed all the members and proxies at the meeting.

1. QUORUM

Upon confirmation by the Company Secretary that the requisite quorum was present, the Chairman called the meeting to order at 2:30 p.m.

2. NOTICE

The notice convening the meeting was taken as read.

3. TO LAY BEFORE THE MEETING THE AUDITED STATEMENTS OF ACCOUNTS TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 FOR DISCUSSION PURPOSE

The audited accounts for the year ended 30 June 2019 together with the Report of Directors and Auditors were tabled for discussion.

Chairman Datuk Ismail Abdullah informed members of the floor that that the Board did not receive any letter from Minority Shareholder Watchdog Group on matters related to the audited statements of accounts of the Company and enquired whether members of the floor have any questions to the accounts.

There being no further questions, Chairman Datuk Ismail Abdullah then proceeded with the rest of the agenda items. At this juncture, he announced that, pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in view of good corporate governance practices, all resolutions to be considered at the general meeting will be voted by way of poll and notified the members and proxies that a copy of the ballot paper will be distributed to each of them for the said purpose. He reminded that interested parties must abstain from voting on resolution approving the shareholders' mandate on existing and additional recurrent related party transactions. He then highlighted the adoption of two-tier voting system on resolution to approve the retention of Mr Ooi Jit Huat who has been appointed as an Independent Non-Executive Director for a cumulative term of more than 12 years. He explained that under the two-tier voting process, members' votes will be cast in the following manner during the general meeting :-

Tier 1 : Only Major Shareholders of the Company vote; and

Tier 2 : Shareholders other than Major Shareholders vote.

The decision is determined based on the vote of Tier 1 and a simple majority of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 vote in favour of the resolution.

Chairman Datuk Ismail Abdullah further added on that poll voting on the resolutions will be scrutinized by Ms Wong Lee Fun of Duomatic Corporate Services Sdn Bhd, the Independent Scrutineer appointed by the Company.

4. DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS FROM 24TH ANNUAL GENERAL MEETING TO THE NEXT ANNUAL GENERAL MEETING

Chairman proceeded to item 2(a) of the Agenda : Resolution 1 : To approve the payment of Directors' fees up to an amount of RM180,000 to Non-Executive Directors from the 24th Annual General Meeting to the next Annual General Meeting of the Company.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT the payment of Directors' fees up to an amount of RM180,000 to Non-Executive Directors from the 24th Annual General Meeting to the next Annual General Meeting of the Company is hereby approved.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 1 as carried.

5. MEETING ALLOWANCE TO NON-EXECUTIVE DIRECTORS FROM 24TH ANNUAL GENERAL MEETING TO THE NEXT ANNUAL GENERAL MEETING

Item 2(b) of the Agenda : Resolution 2 : To approve the payment of Directors' meeting allowance up to an aggregate amount of not more than RM24,000 to non-Executive Directors from the 24th Annual General Meeting to the next Annual General Meeting of the Company.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT the payment of Directors' meeting allowance up to an aggregate amount of not more than RM24,000 to Non-Executive Directors from the 24th Annual General Meeting to the next Annual General Meeting of the Company is hereby approved.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 2 as carried.

6. DIRECTORATE

Item 3(a) of the Agenda : Resolution 3 : To re-elect Ms Kwan Min Nyet who retires by rotation pursuant to Article 73 of the Company's Constitution (Articles of Association) and being eligible, offered herself for re-election.

- (a) In accordance with Article 73 of the Company's Constitution (Articles of Association), Ms Kwan Min Nyet who retires by rotation and being eligible, offered herself for re-election.

The matter was put the floor for voting and it was unanimously **RESOLVED** :-

THAT Ms Kwan MIN NYET be and is hereby re-elected as a Director of the Company.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 3 as carried.

Item 3 (b) of the Agenda : Resolution 4 : To re-elect Datuk Ismail Bin Abdullah who retires by rotation pursuant to Article 73 of the Company's Constitution (Articles of Association) being eligible, offered himself for re-election.

- (b) In accordance with Article 73 of the Company's Constitution (Articles of Association), Datuk Ismail Bin Abdullah who retires by rotation and being eligible, offered himself for re-election.

Being interested in the next Resolution, Chairman Datuk Ismail Bin Abdullah requested Board member, Mr Petrus Gimbad to chair the section on his behalf. The chair was taken over by Mr Petrus Gimbad and the matter was put to the floor for voting. It was unanimously **RESOLVED** :-

THAT Datuk Ismail Bin Abdullah be and is hereby re-elected as a Director of the Company.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

Resolution 4 was declared as carried.

The chair was then handed back to Chairman Datuk Ismail Bin Abdullah for the rest of the resolutions.

7. GROUP MANAGING DIRECTOR RE-ELECTION

Item 4 of the Agenda : Resolution 5 : To re-elect Mr Kwan Ngen Wah, the Group Managing Director who retires by rotation pursuant to Article 106 of the Company's Constitution (Articles of Association) and being eligible, offer himself for re-election.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT Mr Kwan Ngen Wah be and is hereby re-elected as A Group Managing Director of the Company.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 5 as carried.

8. AUDITORS

Item 5 of the Agenda : Resolution 6 : To re-appoint Messrs PKF as Auditors of the Company and authorize the Directors to fix their remuneration.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT Messrs PKF be and is hereby re-appointed as Auditors of the Company and authorize the Directors to fix their remuneration.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 6 as carried.

9. SPECIAL BUSINESS

Item 6 of the Agenda : Resolution 7 (Ordinary Resolution 1) : Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

I. ORDINARY RESOLUTION NO.1

- **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The meeting was requested to consider the Ordinary Resolution as set out in the Notice of meeting on the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the total number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 7 (Ordinary Resolution 1) as carried.

Item 6 of the Agenda : Resolution 8 (Ordinary Resolution 2) : Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

II. ORDINARY RESOLUTION NO.2

- **Proposed Renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

The meeting was requested to consider the Ordinary Resolution as set out in the Notice of meeting on the proposed renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature involving Section 2.1.2 and 2.1.3 of the Circular to Shareholders dated 31st October 2019.

Interested parties are once again reminded to abstain from voting.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT subject always to the compliance with the Companies Act 2016, the Company's Constitution (Memorandum and Articles of Association), the Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, regulation and guidelines, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and its subsidiary from time to time, the nature and the contracting party of which referred to under Section 2.1.2 and 2.1.3 of the Circular to Shareholders dated 31st October 2019 **PROVIDED THAT**

- (i) the transactions are in the ordinary course of business on an arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the breakdown of the aggregate value of the transactions conducted pursuant to this shareholders' mandate during the financial year of the Company.

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	67,395,700	100
Voted AGAINST	0	0
TOTAL	67,395,700	100

The Chairman declared Resolution 8 (Ordinary Resolution 2) as carried.

Item 6 of the Agenda : Resolution 9 (Ordinary Resolution 3) : Proposed renewal of authority for the Company to purchase up to ten percent (10%) of the issued shares of the Company.

III. ORDINARY RESOLUTION NO. 3

- **Proposed Renewal of Authority For The Company To Purchase Up To Ten Percent (10%) of The Issued Shares of The Company**

The meeting was requested to consider the Ordinary Resolution as set out in the Notice of meeting on the proposed renewal of authority for the Company to purchase up to ten percent (10%) of the issued shares of the Company.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT subject always to the Companies Act 2016 (“Act”), provisions of the Company’s Constitution (Memorandum and Articles of Association) and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, and other relevant approvals, the Directors of the Company be and are hereby authorized to renew the authority to purchase the Company’s ordinary shares (“Shares”) through Bursa Securities, subject to the following :-

- (a) the maximum number of Shares that may be purchased by the Company shall not exceed ten percent (10%) of the issued shares of the Company at any point of time;
- (b) the maximum fund to be allocated by the Company for purpose of purchasing its Shares shall not exceed the aggregate of the retained profits of the Company;
- (c) the Shares purchased are to be treated in either of the following manner:-
 - (i) cancel the Shares so purchased; or
 - (ii) retain the Shares so purchased as treasury shares; or
 - (iii) retain part of the Shares purchased as treasury shares and cancel the remainder

The treasury shares may be distributed as dividends to the shareholders and/or resold through Bursa Securities and/or subsequently cancelled.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until :-

- (i) the conclusion of the next Annual General Meeting, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting of the Company,

whichever occurs first.

AND FURTHER THAT the Directors of the Company be and are hereby authorized to take such steps to give full effect to the aforesaid purchase with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 9 (Ordinary Resolution 3) as carried.

Item 6 of the Agenda : Resolution 10 (Ordinary Resolution 4) : Continuing in office as Independent Non-Executive Director.

IV. ORDINARY RESOLUTION NO.4

- **Continuing In Office As Independent Non-Executive Director**

The meeting was requested to consider the Ordinary Resolution as set out in the Notice of meeting on the proposed continuing in office for Mr Ooi Jit Huat as Independent Non-Executive Director.

Mr Ooi Jit Huat was appointed on 09 March 2000 as an Independent Non-Executive Director of the Company and has therefore served as an Independent Non-Executive Director for a cumulative term of more than 12 years. Practice 4.2 of the Malaysian Code on Corporate Governance (“MCCG”) states that the tenure of an Independent Director should not exceed a cumulative term limit of 9 years. However, MCCG recommended that approval of shareholders be sought in the event that the Company intends to retain a person who has served in that capacity for more than 9 years. If the Board continues to retain the Independent Director after the twelfth year, the Board should seek annual shareholders’ approval through a two-tier voting process.

The Nomination Committee and Board of Directors of the Company have assessed and reviewed the independence of Mr Ooi Jit Huat, who has served as Independent Non-Executive Director for more than 9 years, remains objective and independent in expressing his view and in deliberation and decision making. During his tenure in office, he has not developed, established or maintained any significant relationship which would impair his independence as an Independent Director. The Board appreciates and values the contribution made by Mr Ooi Jit Huat and the benefits of his experience, valuable insights and knowledge brought by him throughout his tenure of service with the

Company.

The matter was put to the floor for voting.

Both Tier 1 and Tier 2 voted in favour of the resolution.

The Chairman declared the resolution as carried and it was **RESOLVED** :

THAT the approval be and is hereby given to Mr Ooi Jit Huat who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

The poll result was noted as follows :-

Tier 1

	No. of Shares	%
Voted FOR	94,116,132	100
Voted AGAINST	0	0
TOTAL	94,116,132	100

Tier 2

	No. of Shares	%
Voted FOR	67,395,700	100
Voted AGAINST	0	0
TOTAL	67,395,700	100

Item 6 of the Agenda : Resolution 11 (Special Resolution) : Continuing in office as Independent Non-Executive Director.

V. SPECIAL RESOLUTION

- **Adoption of The New Constitution of The Company**

The meeting was requested to consider the Special Resolution as set out in the Notice of meeting on the proposed adoption of new Constitution of the Company.

The existing Memorandum and Articles of Association of the Company will be revoked with immediate effect and a new Constitution of the Company shall take effect once the Special Resolution has been passed by a majority of not less than 75% of the total voting rights of the members who are entitled to vote and do vote in person or by proxy during the general meeting. The adoption of a new Constitution is to be in line with the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, prevailing laws, guidelines or requirements of the relevant authorities as well as to provide greater clarity and enhance administrative efficiency.

The matter was put to the floor for voting and it was unanimously **RESOLVED** :-

THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, a new Constitution be and is hereby replaced and adopted by the Company.

The poll result was noted as follows :-

	No. of Shares	%
Voted FOR	161,511,832	100
Voted AGAINST	0	0
TOTAL	161,511,832	100

The Chairman declared Resolution 11 (Special Resolution) as carried.

10. OTHER ORDINARY BUSINESS

Item 7 of the Agenda : To transact any other business of the Company for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution (Articles of Association) of the Company.

The Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 2016 and the Company's Constitution (Articles of Association). The Secretary confirmed that there was no other ordinary business for which due notice had been given.

11. TERMINATION

There being no further business, the meeting was terminated at 3.30p.m with a vote of thanks to the Chair. Chairman Datuk Ismail Abdullah recorded his sincere gratitude to the Board of Directors for the advice, counsel and support given to him as the Chairman of the Company. Chairman further extended his gratitude to the Management for their loyalty, commitment, guidance and support to the Company.

CONFIRMED AS A CORRECT RECORD

DATUK ISMAIL ABDULLAH
CHAIRMAN OF THE
24TH ANNUAL GENERAL MEETING