

## **AHB HOLDINGS BERHAD**

Registration No. 199301020171 (274909-A)  
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-NINTH (29<sup>TH</sup>) ANNUAL GENERAL MEETING (“29<sup>TH</sup> AGM”) OF THE COMPANY CONDUCTED FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING VIA THE REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES USING VOTE2U AT [HTTPS://WEB.VOTE2U.MY](https://web.vote2u.my) (DOMAIN REGISTRATION NO. WITH MYNIC - D6A471702) PROVIDED BY AGMO DIGITAL SOLUTIONS SDN BHD IN MALAYSIA ON MONDAY, 13 MARCH 2023 AT 10.00 A.M.

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Present : As per Attendance List

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### **1. CHAIRMAN**

With the consent of the Board, Mr. Siva Kumar A/L Kalugasalam chair the meeting (“the Chairman”) and welcomed the members to the 29th AGM of the Company.

The Chairman introduced the Board of Directors and the Company Secretary to the shareholders of the Company. The Chairman also informed that Dato’ Fizal Bin Kamarudin @ Fauzi, the Independent Non-Executive Director was unable to attend the Meeting and has extended his apologies to all members present.

### **2. QUORUM**

With the requisite quorum being present in accordance with the provision of the Company’s Constitution, the Meeting was called to order at 10.00 a.m.

### **3. NOTICE**

The Notice convening the 29<sup>th</sup> AGM had been sent to all the shareholders of the Company in accordance with the Company’s Constitution. There being no objection from the floor, the notice convening the 29<sup>th</sup> AGM was taken as read.

### **4. PRELIMINARY AND REMOTE E-POLLING PROCEDURES**

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation and must be independent of the person undertaking the polling process.

The Chairman further informed the shareholders that the Company had appointed Agmo Studio Sdn. Bhd. (“AGMO”) as Poll Administrator to conduct the polling process and Aegis Communication Sdn. Bhd. was appointed as Scrutineer to verify the poll results.

The Chairman informed that poll voting would be conducted after all the agenda items as set out in the Notice of 29<sup>th</sup> AGM had been dealt with.

The Chairman notified that the shareholders to raise questions and submit their questions via the real time submission of typed texts in the query box. The Board would endeavor to answer the questions raised. If the Board were not able to respond to the questions due to time constraint, the responses to the remaining questions would be emailed to the shareholders after the Meeting.

The Meeting was then briefed on the electronic/remote poll voting process via video presentation.

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company and of the Group for the Financial Year Ended 30 September 2022 (“FY 2022”) together with the Reports of the Directors and Auditors thereon (“Audited Financial Statements”) were tabled to the shareholders for discussion.

The Chairman informed that the Audited Financial Statements of the Company was meant for discussion only as Section 340(1) of the Companies Act, 2016 provides that the Audited Financial Statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, it shall not put forward for voting. However, the Company is pleased to deal with any questions from shareholders relating to the Audited Financial Statements.

The Chairman then informed the Meeting that the Company has received a letter dated 2 March 2023 from the Minority Shareholders Watch Group (“MSWG”) with a total of 6 questions raised by them.

The questions raised by MSWG together with the Company’s responses which were projected on the screen for the information of the shareholders as follows:

**Operational & Financial Matters**

**1. The Group’s revenue increased by RM2.25 million in FY2022. However, trade receivables and other receivables increased by RM3.04 million and RM5.63 million respectively in FY2022. Note also that trade and other payables did not experience such a big change. [page 58-60 of Annual Report 2022 (“AR2022”)]**

- a) **What were the reasons for the significant increase in trade and other receivables?**
- b) **The Group has been loss making since FY2019. What were the reasons for the continuing losses? Does the Group expect to turn profitable, and if yes, by when?**
- c) **The Group earns low gross profit margin of 18-19% (revenue minus purchase of trading merchandise) for FY2021-FY2022. Operating costs were high. Staff costs alone accounted for 24% of revenue. Please explain the feasibility of your business model.**

**Answer:**

- a) *Although there’s an increase in the revenue, the Company experienced longer payment term from the customers in order to remain sustain in this weak economic environment.*

*The increase in other receivables is mainly due to the reclassification of related companies*

*from the intercompany namely Create Space Sdn Bhd, AHB Distribution Sdn Bhd and AHB Marketing Sdn Bhd to other receivables as the result of the disposal.*

- b) *The Group has not been exempted from the negative impact from Covid-19 pandemic, US-China-Taiwan tensions, Russia-Ukraine war, extreme global climate change, rising interest rates as well as volatility of currency exchanges.*

*Taking into consideration of the challenges faced, the Company had taken steps to explore and identify new business opportunities to provide alternative source of revenue to the Group, the Company targeted venturing into the property development sector which will be able to provide alternative source of income to the Group's in the future.*

- c) *Despite the challenges faced by the Group, the Company believe the staffs are the greatest assets to the Company. The Company believe that how well the company treat the staffs during challenging time will determine how well the company can retain them. Besides that, the Group's revenue has increased from 2021 to 2022.*

*Nevertheless, the Group will continue to focus on its operational efficiency and productivity.*

## **2. Referring to the Statements of Cash Flows (page 65 of AR2022)**

- a) **Please explain the nature of the following impairment loss:**
- i. **RM1.29 million for trade receivables**
  - ii. **RM5.70 million impairment loss written off**
- b) **Inventories written down was RM1.01 million in FY2022 (FY2021: RM87,335). Inventories were still at a high level of RM5.97 million in FY2022.**
- i. **What are the reasons for the high inventory level?**
  - ii. **Does the Group expect further inventories being written down in the coming year?**

Answer:

- a) *The Group recognise loss in trade receivables based on the assumption of risk default and expected loss rates. The impairment loss is trade in nature and is in line with the accounting standards.*
- b) *In fact, the inventories are lower compared to FY2021 which is RM6.15 million, in addition the inventory turnover ratio has improved from 1.05 in FY2021 to 1.4 in FY2022.*

*The management will always perform assessment on any changes in the demand levels and pricing competition to determine the value of inventories at the lower of cost and net realisable value.*

## **3. The Group has trade receivables amounting to RM3.98 million (2021: RM2.89 million) that are past due but not impaired as at the end of FY2022. These relate to several independent customers from whom there is no recent history of default (page 103 of AR2022).**

- a) **How much of the said trade receivables that are past due are from related parties and/or major customers?**
- b) **How long has the said trade receivables been overdue?**

**c) To-date, how much of the said trade receivables have been collected?**

Answer:

- a) *There are no trade receivables that are past due from related parties.*
- b) *The amount outstanding is in the 90 days past due category as at FY2022.*
- c) *The Group has collected 60% of the amount outstanding as at to-date.*

**4. As at the end of FY2022, the Group had 3 customers (2021: 3 customers) that owed the Group a total of RM5.97 million (2021: RM3 million) which accounted for 95% (2021: 93%) of all the receivables outstanding. (page 123 of AR2022)**

**a) Who are these 3 customers? Have any of them defaulted in the past?**

**b) How long has the Group been in relationship with these customers?**

Answer:

- a) *Due to competition risk, the 3 customers are GESB, ATSB and ACL. None of them defaulted in the past.*
- b) *Business relationships with them ranging from 2 years to over 20 years.*

#### **Corporate Governance**

**5. Under Resolution 11 until 16, shareholders' approvals are being sought for the Proposed Granting of SIS Options to all the independent non-executive directors (INEDs) of the Company.**

**Why is the SIS Options extended to the INEDs who do not perform any executive roles, and all of them just joined the Board last year?**

**In line with better corporate governance, MSWG does not encourage the practice of giving SIS to INEDs as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation to employees and executive directors.**

**There is also the risk that the INEDs may be fixated with the share price of the Company and this may affect their impartial decision-making, which should be made without reference to share price considerations.**

**The recognition of the INEDs' contribution to the Company and retaining quality INEDs could be compensated in other ways including a competitive remuneration package. The directors' fee and other benefits that they receive should be structured to adequately compensate the services rendered by them.**

Answer:

*The SIS Options extended to the INEDs is to motivate them to contribute to the long term and sustainable growth of the company which needs to be reflected their rewards.*

6. **Practice 13.6 of Malaysian Code on Corporate Governance (MCCG) 2021 stipulates that minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.**

**AHB's response: Applied. The Minutes of General Meeting is published on the Company's corporate website pursuant to the MCCG.**

**MSWG's comment: As of March 2, no minutes or even summary of key matters discussed at the previous 28<sup>th</sup> AGM was published on the Company's website. Please explain.**

Answer:

*The Company took note on MSWG's comment, the Minutes of the 28<sup>th</sup> AGM held on 25 February 2022 have been uploaded in the Company's corporate website.*

The Chairman then invited questions from the Shareholders on the Audited Financial Statements and Reports. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

6. **ORDINARY RESOLUTION 1**

**TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE OF UP TO RM500,000.00 TO BE DIVIDED AMONGST THE DIRECTORS IN SUCH MANNER AS THE DIRECTORS MAY DETERMINE FOR THE PERIOD FROM 14 MARCH 2023 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY**

The Chairman informed the shareholders that proposed Ordinary Resolution 1 is to approve the payment of Directors' fees and other benefits payable of up to RM500,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from 14 March 2023 until the conclusion of the next AGM of the Company.

The Chairman invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

7. **ORDINARY RESOLUTION 2**

**RE-ELECTION OF CHOW HUNG KEY WHO IS RETIRING PURSUANT TO CLAUSE 105(1) OF THE COMPANY'S CONSTITUTION**

The Chairman informed the shareholders that proposed Ordinary Resolution 2 is to re-elect Mr. Chow Hung Key ("Mr. Chow") who is retiring pursuant to Clause 105(1) of the Company's Constitution and being eligible for re-election, had offered himself for re-election.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**8. ORDINARY RESOLUTION 3**

**RE-ELECTION OF LOH WOEN TSAU WHO IS RETIRING PURSUANT TO CLAUSE 105(1) OF THE COMPANY'S CONSTITUTION**

The Chairman informed the shareholders that proposed Ordinary Resolution 3 is to re-elect Mr. Loh Woen Tsau who is retiring pursuant to Clause 105(1) of the Company's Constitution but it would not put forward for voting due to Mr. Loh Woen Tsau had resigned on 3 March 2023.

Thus, Ordinary Resolution 3 would be withdrawn for voting.

The Chairman recorded a note of appreciation and thanks to Mr. Loh Woen Tsau for his past contribution to the Company.

**9. ORDINARY RESOLUTION 4**

**RE-ELECTION OF SIVA KUMAR A/L KALUGASALAM WHO IS RETIRING IN ACCORDANCE WITH CLAUSE 114 OF THE COMPANY'S CONSTITUTION**

At this juncture, the Chairman declared his interest in Ordinary Resolution 4 and invited Mr. Chow to chair the meeting for the Ordinary Resolution 4 in relation to his re-election as a Director of the Company.

Mr. Chow informed the shareholders that Mr. Siva Kumar A/L Kalugasalam would retire pursuant to Clause 114 of the Company's Constitution and being eligible as a director, had offered himself for re-election.

Mr. Chow invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

Mr. Chow then handed back the chairmanship to the Chairman for the remaining items on the agenda.

**10. ORDINARY RESOLUTION 5**

**RE-ELECTION OF DATO' FIZAL BIN KAMARUDIN @ FAUZI WHO IS RETIRING IN ACCORDANCE WITH CLAUSE 114 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the shareholders that proposed Ordinary Resolution 5 is to re-elect Dato' Fizal Bin Kamarudin @ Fauzi who is retiring pursuant to Clause 114 of the Company's Constitution and being eligible for re-election, had offered himself for re-election.

The Chairman invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**11. ORDINARY RESOLUTION 6**

**RE-ELECTION OF TERENCE CHEAH EU LEE WHO IS RETIRING IN ACCORDANCE WITH CLAUSE 114 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the shareholders that proposed Ordinary Resolution 6 is to re-elect Mr. Terence Cheah Eu Lee who is retiring pursuant to Clause 114 of the Company's Constitution and being eligible for re-election, had offered himself for re-election.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**12. ORDINARY RESOLUTION 7**

**RE-APPOINTMENT OF MESSRS. UHY AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman informed the shareholders that proposed Ordinary Resolution 6 is to re-appoint Messrs. UHY as the Company's auditors and to authorize the Directors to fix their remuneration. The Chairman informed that the retiring auditors, Messrs. UHY had expressed their willingness to accept re-appointment as auditors of the Company for the ensuing year.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**13. SPECIAL BUSINESS – ORDINARY RESOLUTION 8**

**AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Chairman informed that the shareholders that proposed Ordinary Resolution 8 under special business was to renew the mandate under Sections 75 and 76 of the Companies Act 2016 ("the Act").

The Chairman explained that upon passing this resolution, the Directors would be provided with flexibility to allot and issue shares from time to time for such purposes as the Directors in their absolute discretion consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the shares to be allotted and issued do not exceed 10% of the issued share capital of the Company for the time being. This proposal is in line with Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority, unless revoked or varied by the Company in general meeting, shall be in force until the conclusion of the next AGM of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**14. SPECIAL BUSINESS – ORDINARY RESOLUTION 9**  
**PROPOSED GRANTING OF SHARE ISSUANCE SCHEME (“SIS”) OPTIONS TO MR. CHOW HUNG KEAY, AN EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 9 under special business was to offer and grant Share Issuance Scheme (“SIS”) Options to Mr. Chow Hung Keay, an Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**15. SPECIAL BUSINESS – ORDINARY RESOLUTION 10**  
**PROPOSED GRANTING OF SIS OPTIONS TO MR. TEH BOON HONG, AN EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 10 under special business was to offer and grant SIS Options to Mr. Teh Boon Hong, an Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**16. SPECIAL BUSINESS – ORDINARY RESOLUTION 11**  
**PROPOSED GRANTING OF SIS OPTIONS TO MR. SIVA KUMAR A/L KALUGASALAM, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 11 under special business was to offer and grant SIS Options to Mr. Siva Kumar A/L Kalugasalam, an Independent Non-Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**17. SPECIAL BUSINESS – ORDINARY RESOLUTION 12**  
**PROPOSED GRANTING OF SIS OPTIONS TO MR. LOH WOEN TSAU, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 12 under special business was to offer and grant SIS Options to Mr. Loh Woen Tsau, an Independent Non-Executive Director of the Company but it would not put forward for voting due to Mr. Loh Woen Tsau had resigned on 3 March 2023.

Thus, Ordinary Resolution 12 would not put forward for voting.



**18. SPECIAL BUSINESS – ORDINARY RESOLUTION 13**  
**PROPOSED GRANTING OF SIS OPTIONS TO MS GAN WEN TING @ GAN MOOU HEANG, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 13 under special business was to offer and grant SIS Options to Ms. Gan Wen Ting @ Gan Moou Heang, an Independent Non-Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**19. SPECIAL BUSINESS – ORDINARY RESOLUTION 14**  
**PROPOSED GRANTING OF SIS OPTIONS TO MADAM SUSAN WONG YUN TSU, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 14 under special business was to offer and grant SIS Options to Madam Susan Wong Yun Tsu, an Independent Non-Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**20. SPECIAL BUSINESS – ORDINARY RESOLUTION 15**  
**PROPOSED GRANTING OF SIS OPTIONS TO DATO' FIZAL BIN KAMARUDIN @ FAUZI, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 15 under special business was to offer and grant SIS Options to Dato' Fizal Bin Kamarudin @ Fauzi, an Independent Non-Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**21. SPECIAL BUSINESS – ORDINARY RESOLUTION 16**  
**PROPOSED GRANTING OF SIS OPTIONS TO MR. TERENCE CHEAH EU LEE, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The Chairman informed that the shareholders that proposed Ordinary Resolution 16 under special business was to offer and grant SIS Options to Mr. Terence Cheah Eu Lee, an Independent Non-Executive Director of the Company.

The Chairman then invited the Shareholders to raise their questions by typing in the query box. Thereafter, the Chairman continued to the next item of the agenda of the Meeting.

**22. Q&A SESSION**

As there being no questions received from the shareholders/proxies during the 29th AGM, the Chairman proceed to the next item of the agenda of the Meeting.

**23. ANY OTHER BUSINESS**

The Chairman informed that the Company had not received any notice to deal with any other business for which due notice was required to be given pursuant to the Companies Act, 2016.

**24. POLLING PROCESS**

As all the matters of the meeting had been dealt, the Chairman informed that the Meeting would conduct the voting on all the Ordinary Resolutions by e-polling.

The Chairman then proceeded to the polling process and informed the Shareholders the voting session would be automatically end after 15 minutes.

The Chairman further informed that the outcome of the poll would be announced after 30 minutes as it would be taking some time for the Independent Scrutineer to tabulate the results of the poll. The Meeting was then adjourned at 11.00 a.m. for the votes to be counted and to enable the Independent Scrutineer to tabulate the results of the poll.

**25. ANNOUNCEMENT OF POLL RESULTS**

Upon the computation of the poll results, the Chairman called the Meeting to resume at 11.43 a.m. for the declaration of the poll results.

The Chairman announced the poll results as below:-

Resolutions	Voted For		Voted Against		Results
	No of Shares	%	No of Shares	%	
Ordinary Resolution 1	98,105,615	99.9879	11,906	0.0121	Carried
Ordinary Resolution 2	98,115,922	99.9984	1,600	0.0016	Carried
Ordinary Resolution 3	0	0	0	0	Withdrawn
Ordinary Resolution 4	98,110,316	99.9927	7,206	0.0073	Carried
Ordinary Resolution 5	98,110,316	99.9927	7,206	0.0073	Carried
Ordinary Resolution 6	98,110,919	99.9933	6,603	0.0067	Carried
Ordinary Resolution 7	98,116,222	99.9999	100	0.0001	Carried
Ordinary Resolution 8	98,105,616	99.9879	11,906	0.0121	Carried
Ordinary Resolution 9	98,104,618	99.9869	12,904	0.0132	Carried
Ordinary Resolution 10	93,622,315	99.9862	12,907	0.0138	Carried
Ordinary Resolution 11	98,104,515	99.9867	13,007	0.0133	Carried

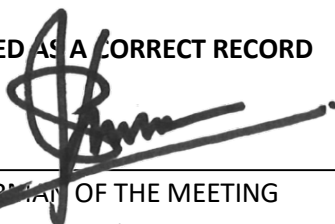
Ordinary Resolution 12	0	0	0	0	Withdrawn
Ordinary Resolution 13	23,435,715	23.8854	74,681,807	76.1147	Not Carried
Ordinary Resolution 14	23,435,715	23.8854	74,681,807	76.1147	Not Carried
Ordinary Resolution 15	23,435,715	23.8854	74,681,807	76.1147	Not Carried
Ordinary Resolution 16	98,104,518	99.9868	13,004	0.0133	Carried

The Chairman declared that based on the poll results, all of the following Ordinary Resolutions tabled at the Meeting were duly carried, except for Ordinary Resolutions 13, 14 and 15 which were not carried by the shareholders of the Company and Ordinary Resolutions 3 and 12 which were withdrawn.

**26. CLOSURE OF MEETING**

There being no other business to be discussed, the Chairman thanked the shareholders and proxies for attending the 29<sup>th</sup> AGM of the Company and declared the Meeting closed at 11.45 a.m. with a vote of thanks of the Chairman.

**SIGNED AS A CORRECT RECORD**



CHAIRMAN OF THE MEETING  
SIVA KUMAR A/L KALUGASALAM

Dated: 13 March 2023