

SCH GROUP BERHAD

(Company No. 972700-P)
(Incorporated in Malaysia)

MINUTES OF THE SIXTH (6th) ANNUAL GENERAL MEETING OF SCH GROUP BERHAD ("SCH" OR "THE COMPANY") HELD AT LOT 35, JALAN CJ 1/1, KAWASAN PERUSAHAAN CHERAS JAYA, 43200 CHERAS, SELANGOR DARUL EHSAN ON FRIDAY, 26 JANUARY 2018 AT 10.00 A.M.

Present : As per attendance list

1. CHAIRMAN

Mr. Chan Wan Choon ("the Chairman") presided at the meeting and welcomed the members to the Sixth (6th) Annual General Meeting ("AGM") of the Company.

2. QUORUM

There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 10.00 a.m.

3. NOTICE

With the consent of the meeting, the Notice convening the meeting having been circulated within the prescribed period was taken as read.

4. PRELIMINARY

Before proceeding with the agendas of the meeting, the Chairman explained to the meeting on how a resolution is determined. He informed that pursuant to Rule 8.31A of the ACE 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 meeting that Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") has been appointed as Poll Administrator to conduct the polling process and Asia Securities Sdn Berhad ("Scrutineers") was appointed as Scrutineers to verify the poll results.

With the consent and approval of the meeting, the Chairman informed that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at this AGM.

5. AUDITED FINANCIAL STATEMENTS AND REPORTS

The Audited Financial Statements of the Company and of the Group for the financial year ended 31 August 2017, together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements") was tabled during the meeting for the shareholders' discussion.

The Chairman informed the meeting that the Audited Financial Statements of the Company was meant for discussion only as Section 340(1)(a) 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 is not put forward for voting. However, the Company is pleased to deal with any questions from shareholders relating to the Audited Financial Statements.

Mr. Lai Kim Loong ("Mr. Lai"), a shareholder of the Company, suggested the management to provide a short presentation in relation to the performance of the current financial year and the prospect of the Group during the Company's AGM to be held in future. He further suggested the management to also provide the summary of the financial performance review of the Group for the past five (5) years in the Annual Report of the Company for the shareholders' review and notation. The Chairman informed that the management would take into consideration of the recommendations highlighted by the shareholders and make necessary improvement on the conduct of the AGM and the presentation of the Annual Report in future.

In reply to Mr. Lai on the current year performance and prospect of the Group, Mr Khoo Chee Siang ("Mr. Khoo"), the Executive Director of the Company, briefed the meeting that the Group has recorded a total revenue of RM44.2 million for the financial year ended 31 August 2017 ("FYE 2017"), representing an increased RM7.2 million or 19% as compared to the previous financial year ended 31 August 2016 ("FYE 2016"). The increase in the revenue was mainly contributed by the higher order received for the Group's quarry industrial products and the new and reconditioned quarry machineries. He further informed that the profit before tax of the Group has increased from RM2.3 million in FYE 2016 to RM2.8 million in FYE 2017, representing an increase of RM0.5 million or 20%. Mr Khoo further briefed the meeting that the Group expected a brighter outlook for financial year ended 31 August 2018 as more quarry activities operations will be required to meet the demand for quarry based materials for use in major property development, construction and infrastructure projects to be undertaken in year 2018.

After dealing with the questions from shareholders, the meeting proceeded with the next Agenda of the meeting.

6. ORDINARY RESOLUTION 1
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES OF RM134,500.00 TO NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017

The next item on the agenda is to approve the payment of Directors' fees of RM134,500.00 to the Non-Executive Directors of the Company for the financial year ended 31 August 2017.

The following resolution having been duly proposed by Ms. Tan Le Tin and seconded by Ms. Kwok Lai Chun, was put to the meeting for voting by way of poll:

"THAT the payment of Directors' fees of RM134,500.00 to the Non-Executive Directors of the Company for the financial year ended 31 August 2017 be approved."

7. ORDINARY RESOLUTION 2
APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM50,000.00 FOR THE PERIOD FROM 31 JANUARY 2017 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

SCH Group Berhad
- Minutes of Sixth (6th) Annual General Meeting (26 January 2018)

The next item on the agenda is to approve the payment of Directors' benefits of up to RM50,000.00 for the period from 31 January 2017 until the conclusion of the next AGM of the Company.

The following resolution having been duly proposed by Ms. Tan Le Tin and seconded by Ms. Kwok Lai Chun, was put to the meeting for voting by way of poll:

"THAT the payment of Directors' benefits of up to RM50,000.00 for the period from 31 January 2017 until the conclusion of the next AGM of the Company be approved."

8. ORDINARY RESOLUTION 3
RE-APPOINTMENT OF MR CHAN WAN CHOON

At this juncture, the Chairman declared his interest in Ordinary Resolution 3 and invited Mr. Khoo to chair the meeting for the Ordinary Resolution 3 in relation to his re-appointment as a Director of the Company.

Mr. Khoo informed the meeting that with the new Companies Act 2016 came into force with effective 31 January 2017, there is no age limit for directors. At the Fifth (5th) AGM of the Company held on 23 January 2017, Mr. Chan Wan Choon, who is above the age of 70, was re-appointed pursuant to Section 129 of Companies Act 1965 to hold office until the conclusion of the Sixth (6th) Annual General Meeting. As such, his term of office will end at the conclusion of the Sixth (6th) AGM and being eligible, had offered himself for re-appointment. Mr. Khoo further highlighted that the Ordinary Resolution 3, if passed, will enable Mr. Chan Wan Choon to continue to act as Director of the Company and shall subject to retirement by rotation at a later date.

The following resolution having been duly proposed by Ms. Tan Le Tin and seconded by Ms. Kwok Lai Chun, was put to the meeting for voting by way of poll:

"THAT Mr. Chan Wan Choon, be re-appointed as a Director of the Company."

At this juncture, Mr. Khoo handed over the chair back to the Chairman for the remaining agendas of the meeting.

9. ORDINARY RESOLUTION 4
RE-ELECTION OF SIM YEE FUAN

The Chairman informed the meeting that Mr. Sim Yee Fuan would retire pursuant to Article 95 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Mr. Eddyson Yong Tzen Nam and seconded by Ms. Lee Hong Lean, was put to the meeting for voting by way of poll:

"THAT Mr. Sim Yee Fuan, who is retiring pursuant to Article 95 of the Company's Articles of Association, be re-elected as a Director of the Company."

10. ORDINARY RESOLUTION 5
RE-ELECTION OF MR. KHOO CHEE SIANG

The Chairman informed the meeting that Ordinary Resolution 5 was to approve the re-election of Mr. Khoo Chee Siang who retires pursuant to Article 100 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Ms. Kwok Lai Chun and seconded by Mr. Goh Mun Chun, was put to the meeting for voting by way of poll:

"THAT Mr. Khoo Chee Siang, who is retiring pursuant to Article 100 of the Company's Articles of Association, be re-elected as a Director of the Company".

11. ORDINARY RESOLUTION 6
RE-ELECTION OF MR LIEW FOOK MENG

The Chairman informed the meeting that Mr. Liew Fook Meng would retire pursuant to Article 100 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Ms. Kwok Lai Chun and seconded by Mr. Goh Mun Chun, was put to the meeting for voting by way of poll:

"THAT Mr. Liew Fook Meng, who is retiring pursuant to Article 100 of the Company's Articles of Association, be re-elected as a Director of the Company".

12. ORDINARY RESOLUTION 7
RE-ELECTION OF MR WONG KIN SENG

The Chairman informed the meeting that Mr. Wong Kin Seng would retire pursuant to Article 100 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Mr. Eddyson Yong Tzen Nam and seconded by Ms. Tan Le Tin, was put to the meeting for voting by way of poll:

"THAT Mr. Wong Kin Seng, who is retiring pursuant to Article 100 of the Company's Articles of Association, be re-elected as a Director of the Company".

13. ORDINARY RESOLUTION 8
RE-ELECTION OF MR KOH CHEN FOONG

The Chairman informed the meeting that Ordinary Resolution 8 was to approve the re-election of Mr. Koh Chen Foong who retires pursuant to Article 100 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Mr. Goh Mun Chun and seconded by Ms. Tan Le Tin, was put to the meeting for voting by way of poll:

"THAT Mr. Koh Chen Foong, who is retiring pursuant to Article 100 of the Company's Articles of Association, be re-elected as a Director of the Company".

14. ORDINARY RESOLUTION 9
TO RE-APPOINT MESSRS ECOVIS AHL PLT AS AUDITORS OF THE COMPANY

The Chairman informed that the next resolution was to re-appoint Messrs Ecovis AHL PLT as external auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. He further informed that Messrs Ecovis AHL PLT has expressed their willingness to accept the re-appointment as the Company's external auditors for the ensuing year.

The following resolution having been duly proposed by Mr. Eddyson Yong Tzen Nam and seconded by Mr. Goh Mun Chun, was put to the meeting for voting by way of poll:

"THAT Messrs Ecovis AHL PLT be and is hereby re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting at the remuneration to be determined by the Directors."

15. SPECIAL BUSINESS - ORDINARY RESOLUTION 10
AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

The Meeting was called upon to approve the proposed Ordinary Resolution 10 pertaining to authority for directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016. The Ordinary Resolution 10, if passed, would provide flexibility for the Directors to allot and issue shares from time to time for such purposes as the Directors consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the aggregate number of shares to be allotted and issued does not exceed 10% of the issued share capital of the Company for the time being and subject always to the approval from the relevant regulatory bodies.

The following resolution having been duly proposed by Ms. Kwok Lai Chun and seconded Ms. Tan Le Tin, was put to the meeting for voting by way of poll:

"THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier."

16. ANY OTHER BUSINESS

After verification and confirmation with the Company Secretary, the Chairman informed that there was no notice to transact any other business received by the Company and the meeting continued with the proceeding of the polling process.

17. POLLING PROCESS

The Chairman briefed the meeting on the proceeding of the polling process. He informed that the representatives of Tricor would collect the completed polling forms from the shareholders / proxies and the results of the poll would be verified by the Scrutineers.

Upon collection of the polling forms, the Chairman, with consent of the meeting, adjourned the meeting at 10.30 a.m. for the counting and verification of the poll results.

18. ANNOUNCEMENT OF POLL RESULTS

At 11.00 a.m., the Chairman called the meeting to order for the declaration of results.

The Chairman informed that he had received the poll results from the Scrutineers, as Appendix I. The Chairman invited the Scrutineers to read out the poll results to the shareholders and proxies present.

The Chairman informed that based on the poll results, the shareholders / proxies present have voted in favour for all the resolutions set out in the Notice of AGM dated 29 December 2017. In relation thereto, the Chairman thereby declared that all the resolutions set out in the Notice of AGM dated 29 December 2017 were carried.

19. TERMINATION

There being no other business, the meeting ended at 11.25 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings thereat**

- Signed -

Chairman
Kuala Lumpur