

**CLASSIC SCENIC BERHAD (633887-M)**

(Incorporated in Malaysia)

Minutes of the Eighteenth (18<sup>th</sup>) Annual General Meeting (“AGM”) of the Company which was conducted fully virtual with the Main Venue of the 18<sup>th</sup> AGM being the online platform : <https://web.lumiagm.com> provided by Boardroom Share Registrars Sdn Bhd from the broadcast venue of Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Wednesday, 16 June 2021 at 10.00 a.m.

Present : Shareholders  
online

Directors

Mr Lim Chee Beng

Mr Lim Chee Hwa

Mr Lee Kong Weng

Mr Au Thin An @ Low Teen Ann

Ms Chow Chooi Yoong

Ms Ooi Youk Lan

Managing Director

Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Non-Independent Non-Executive  
Director

Ms Lim Kim Lee

Chief Financial Officer

External Auditors

Mr Chan Chee Keong

Mr Low Yow Khun

} Representatives from

} Messrs KPMG PLT

In Attendance

Ms Wong Youn Kim

Company Secretary

1. **CHAIRMAN, QUORUM AND NOTICE OF MEETING**

The meeting was convened with Mr Lim Chee Hwa in the Chair who welcomed everyone to the 18<sup>th</sup> AGM of the Company. He said the fully virtual 18<sup>th</sup> AGM was conducted in compliance with Section 327 of the Companies Act 2016 and Clause 59 of the Company’s Constitution as well as in accordance with the Guidance Note on the Conduct of General Meetings for Listed Issuers as revised up to 1 June 2021 by the Securities Commission of Malaysia.

Upon confirmation by Ms Wong Youn Kim, the Company Secretary that a quorum was present at the commencement of the meeting pursuant to Clause 70 of the Company’s Constitution, the Chairman called the meeting to order.

The Chairman proceeded to introduce the Board of Directors, Chief Financial Officer, Company Secretary and External Auditors, and then declared that the Notice of the meeting was taken as read.

Before proceeding with the Agenda of the 18<sup>th</sup> AGM, the Company Secretary was called upon to explain the proceedings of the meeting and online voting procedures to the shareholders.

She informed the shareholders that the businesses to be transacted in the 18<sup>th</sup> AGM involved the moving and passing of 7 proposed Ordinary Resolutions and 1 proposed Special Resolution and that each of the proposed Ordinary Resolution would require the approval of a simple majority of the members or their proxies participating and voting in this meeting, whilst the proposed Special Resolution would require the approval of at least three-fourth or 75% of the members or their proxies present and voting at the meeting.

She said each motion would require one proposer and a seconder before the motions were put forward for poll voting, and in order to facilitate the flow of the meeting, the Chairman who was a proxy holder and Ms Lim Kim Lee who was a member of the Company have offered themselves to be the Proposer and Secunder for all the motions.

The Company has appointed the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the electronic polling process and Boardroom Corporate Services Sdn Bhd as the Independent Scrutineer to verify the poll results.

She said the Chairman would read out all agenda items and thereafter, would answer questions in relation to the agenda during the Questions and Answers ("Q&A") Session.

Shareholders and proxy holders were encouraged to participate at the AGM by submitting typed questions at any time until the announcement of the closure of Q&A session by the Chairman.

The shareholders and proxy holders were then invited to view the short video on the remote polling process presented by the Poll Administrator, Boardroom Share Registrars Sdn Bhd.

The Chairman continued with the meeting after the e-polling video presentation.

The Chairman said online voting would be opened to allow members to cast their votes during the meeting proceedings and that all items to be transacted at the AGM would be deliberated. After the Q&A session, the polling session would be opened for 10 minutes and thereafter, the online voting would close. The meeting would be adjourned for a period of 15 minutes for the Independent Scrutineers to verify the poll results. The meeting would resume upon receiving the poll voting results validated by the Independent Scrutineers.

2. **AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE YEAR ENDED 31 DECEMBER 2020**

The Chairman informed the meeting that the provision of Section 340(1)(a) of the Companies Act 2016 requires the Audited Financial Statements for the financial year ended 31 December 2020 together with and the Reports of the Directors and Auditors thereon be laid before the Company at the AGM. As such, the agenda was for discussion only and not a business that would require a resolution to be put to vote by members.

The Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors Reports were taken as laid before the shareholders pursuant to Section 340(1)(a) of the Companies Act 2016.

3. **PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM150,000/-, FROM 17 JUNE 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY.**

Ordinary Resolution 1 – Approval of Directors' fees and benefits payable to the Non-Executive Directors up to an amount of RM150,000/- from 17 June 2021 until the next Annual General Meeting was tabled before the meeting.

Upon Ordinary Resolution 1 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion to approve Directors' fees and benefits payable to the Non-Executive Directors up to an amount of RM150,000/- from 17 June 2021 until the next Annual General Meeting would be voted by way of poll.

It was noted that all the Non-Executive Directors, being the interested parties in this resolution, had abstained from deliberation and voting on the resolution.

4. **ELECTION OF DIRECTORS**

Before proceeding with the agenda on re-election of Directors of the Company who were subject to retirement by rotation pursuant to the Company's Constitution, the Chairman informed the meeting that Mr Lee Kong Weng and Ms Chow Chooi Yoong have informed the Board of Directors of their wishes not to seek re-election as Directors of the Company and to retire at the conclusion of the 18<sup>th</sup> AGM.

The Board of Directors has accepted their wishes to retire with a heavy heart and wished to place on record their appreciation for the invaluable services rendered by Mr Lee and Ms Chow during their tenure as Directors of the Company, and wished them well in their future endeavours.

Hence, Ordinary Resolutions 2 and 3 for the re-election of Mr Lee Kong Weng and Ms Chow Chooi Yoong who retired pursuant to Clause 97 of the Company's Constitution, respectively were withdrawn.

Ordinary Resolution 4 – Re-election of Ms Ooi Youk Lan was tabled before the meeting.

Upon Ordinary Resolution 4 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion to re-elect Ms Ooi Youk Lan who retired pursuant to Clause 106 of the Company's Constitution would be voted by way of poll.

5. **RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 5 – Re-appointment of Auditors and to authorise the Directors to fix their remuneration was tabled before the meeting.

Upon Ordinary Resolution 5 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion to re-appoint Messrs KPMG PLT who have indicated their willingness to continue in office as Auditors of the Company for the financial year ending 31 December 2021 at a remuneration to be fixed by the Directors would be voted by way of poll.

**SPECIAL BUSINESS**

6. **AMENDMENT TO CLAUSE 15 OF THE CONSTITUTION OF THE COMPANY**

Special Ordinary 1 – Proposed Amendment to Clause 15 of the Constitution of the Company as set out in the notice of meeting, was tabled before the meeting.

Upon Special Resolution 1 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion to approve the Proposed Amendment to Clause 15 of the Constitution of the Company as set out in the notice of meeting would be voted by way of poll.

**7. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

Ordinary Resolution 6 – Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 was tabled before the meeting.

Upon Ordinary Resolution 6 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion to authorise the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 as set out in the notice of meeting would be voted by way of poll.

**8. Continuing in Office as Independent Non-Executive Director**

Ordinary Resolution 7 – Approval for Mr Au Thin An @ Low Teen Ann to continue in office as an Independent Non-Executive Director of the Company was tabled before the meeting.

Upon Ordinary Resolution 7 being duly proposed and seconded by the Chairman and Ms Lim Kim Lee respectively, the motion for Mr Au Thin An @ Low Teen Ann to continue in office as an Independent Non-Executive Director of the Company would be voted by way of poll.

**9. QUESTIONS AND ANSWERS SESSION (“Q&A SESSION”)**

The Chairman informed the shareholders that as the Company did not receive any notice to transact any other business, the meeting would proceed with the Q&A Session.

The following questions were raised by shareholders/proxyholders at the 18<sup>th</sup> AGM; and answers provided by the Chairman in response to those questions are as stated below :-

Q1. We are loyal shareholders who had taken time and effort to register, attend and vote online at this AGM. Would appreciate it if the Company would reward us with “Touch n Go” credits or food vouchers.

A1. The Company did not prepare for it but would look into this seriously for the next AGM.

Q2. May I know how much would be spent for this virtual AGM? Also, I would like to request a printed hardcopy of the Annual Report.

A2. The costs of the virtual AGM is affordable as it is now very competitive. It is also mandatory to hold general meetings virtually during the Full Movement Control Order (“FMCO”) as directed by the Securities Commission.

As for the printed hardcopy of the Annual Report, it will be posted.

Q3. Our Company has been resilient and good. Best wishes to all Directors and staff who have been dedicated in ensuring our Company remains well.

A3. On behalf of the Board of Directors and staff, thank you for your compliment.

Q4. Why the Company did not declare second interim dividend when the quarterly results were good?

- A4. As far as creating shareholders' long term value is concern, dividend is not the only form to reward shareholders. Announcements have been made on the Company's proposed bonus issue of shares and proposed bonus issue of warrants to enhance the long term shareholders' value and to reward shareholders. Shareholders should invest for the long term rewards.
- Q5. Is the Company facing any disruption to raw materials supply?
- A5. Other companies may be affected by shortage of raw materials supply. But as far as our Company is concern, the management would look into our requirements and plan ahead. Hence, the Company's stock level of raw materials has always been higher than normal requirement. Therefore, the Company did not encounter any serious disruption to its operation arising from shortage of raw material supply.
- Q6. Does the Company need to bear additional costs due to the escalation of freight charges?
- A6. The Company has not been unduly affected by the increase in freight charges as almost 95% of our products are exported on FOB basis.
- Q7. Has the high commodity prices affected the Group's margins?
- A.7 Although the Group could not avoid the higher commodity prices, it has been able to pass on the additional costs to the customers. Therefore, it is not a real concern to the Group.
- Q8. Is the rebound demands from USA sustainable?
- A8. The Company is of the view that demands should be sustainable until next year or even beyond, as demand for our products has always been there for the past 30 years.
- Q9. Revenue has been stagnant for the past several years. How would the Company plan to enhance revenue growth?
- A9. The Group would continue to work hard in developing new products that have good margins as well as monitor costs. During the Movement Control Order, the management also looked into ways to further improve operational and productivity efficiency of the Group in order to grow our business and revenue.
- Q10. Please share with us why Complete Logistic Services Berhad bought a stake in the Company?
- A10. The management would not be able to provide a definite answer but is of the opinion that it was more of a business decision.
- Q11. Please share the problems faced and how COVID-19 pandemic has affected business and what is the post-pandemic recovery strategic plan?
- A11. The COVID-19 pandemic in Malaysia has affected the Group's operations due to the FMCO imposed by the Malaysian government. However, the pandemic has also been a blessing in disguise as more people are decorating their homes due to the requirement to work from home rather than at the office. There are a lot of demands for our products but production was unable to operate due to the FMCO.

Upon the lifting of the FMCO and in order to make up for lost time, the management would do everything possible whilst always adhering to all laws and regulations, to boost revenue by accelerating production process by recruiting more workers and improving production process through more overtime and increase export.

Q12. Please consider to make a short presentation on the Group's performance for the year and outlook for next year at future meetings.

A12. Yes, the management would look into this next year.

10. **COMMENCEMENT OF POLL VOTING**

At the conclusion of the Q&A Session, the meeting proceeded with poll voting.

11. **ADJOURNED OF MEETING FOR VERIFICATION OF POLL RESULTS**

The meeting was adjourned at 10.35 a.m. to enable the Scrutineer to verify the poll results.

12. **RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS**

The meeting re-convened at 10.50 a.m. for the announcement of the results of the poll voting by the Chairman as follows :-

Resolution	Votes For			Votes Against		
	No. of Shares	No. of Shareholders	%	No. of Shares	No. of Shareholders	%
Ordinary Resolution 1	64	37,163,165	99.9352	11	24,102	0.0648
Ordinary Resolution 2	Withdrawn	-	-	-	-	-
Ordinary Resolution 3	Withdrawn	-	-	-	-	-
Ordinary Resolution 4	73	37,212,355	99.9406	5	22,102	0.0594
Ordinary Resolution 5	67	37,220,849	99.9635	11	13,608	0.0365
Special Resolution 1	70	37,217,765	99.9616	7	14,302	0.0384
Ordinary Resolution 6	70	37,221,149	99.9643	8	13,308	0.0357
Resolution 7 (Tier 1)	4	36,130,000	100.0000	0	0	0.0000
Resolution 7 (Tier 2)	67	1,077,955	97.6004	7	26,502	2.3996

The Chairman declared that all 7 Ordinary Resolutions and Special Resolution 1 were approved by the shareholders.

**Ordinary Resolution 1**

It was resolved that the Directors' fees and benefits payable to the Non-Executive Directors up to an amount of RM150,000/-, from 17 June 2021 until the next Annual General Meeting of the Company be approved.

**Ordinary Resolution 4**

It was resolved that Ms Ooi Youk Lan who retired pursuant to Clause 106 of the Company's Constitution be re-elected as Director of the Company.

**Ordinary Resolution 5**

It was resolved that Messrs KPMG PLT who have indicated their willingness to continue in office as Auditors of the Company for the financial year ending 31 December 2021 at a remuneration to be fixed by the Directors be approved.

**Special Resolution 1**

It was resolved that the Proposed Amendment to Clause 15 of the Constitution of the Company as set out below be approved and adopted with immediate effect :

<b>Clause No.</b>	<b>Existing Clause</b>	<b>Proposed Amendments to Existing/New Clause</b>
<b>15</b>	<b>Issue of Securities</b> Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Sections 75 and 76 of the Act, the Company must ensure that it shall not issue any shares or other convertible securities if those shares or convertible securities, when aggregated with any such shares or convertible securities issued during the preceding	<b>Issue of Securities</b> Unless otherwise provided in the Listing Requirements ( <i>including any directives or modifications or relief issued by the Exchange from time to time in relation to the general mandate for issue of securities</i> ), the Act, the Central Depositories Act and/or the Rules and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any shares or convertible securities without the prior approval of shareholders in a general meeting of the precise terms and conditions of the issue.

**Ordinary Resolution 6**

It was resolved that subject always to the passing of Special Resolution 1, the Companies Act 2016 ("Act"), Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue new shares in the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of the issued shares (excluding treasury shares) of the Company at 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 Securities 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 ("AGM") of the Company.

**Ordinary Resolution 7**

It was resolved that pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, approval be and is hereby given for Mr Au Thin An @ Low Teen Ann, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as an Independent Non-Executive Director of the Company.

13. **TERMINATION OF MEETING**

There being no other business, the meeting ended at 10.58 a.m. with a vote of thanks to the chair.

Confirmed as correct record,

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**LIM CHEE HWA**  
Chairman