

# MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

## RECORD OF PROCEEDINGS OF THE 46<sup>TH</sup> ANNUAL GENERAL MEETING

**BROADCAST VENUE:** BALE CLUB, MULTI-PURPOSE HALL, NO. 1, JALAN POLO, LEISURE FARM, 81560 GELANG PATAH, JOHOR DARUL TAKZIM

**DATE** : THURSDAY, 30 JULY 2020

**TIME** : 2.30 P.M.

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### 1. CHAIRMAN AND OPENING ADDRESS

Mr Loong Caesar (“**the Chairman**”) presided as Chairman of the Annual General Meeting (“**AGM**”). He welcomed all shareholders and proxies who have logged in to join the AGM and then called the AGM to order. He informed that this virtual AGM was held to ensure the safety and health of all shareholders to limit the spread of COVID-19.

The Chairman introduced the members of the Board present at the Broadcast Venue and the remaining members of the Board, the Chief Executive Officer and the Head of Finance who were in attendance remotely via video conferencing. The Chairman also introduced the Company Secretary and the representatives from Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd who were present at the Broadcast Venue. He further introduced the external auditors from Messrs KPMG PLT who were in attendance remotely via video conferencing.

### 2. QUORUM

Upon enquiry from the Chairman, the Company Secretary confirmed that there was sufficient quorum for the AGM.

### 3. NOTICE OF AGM

Upon enquiry from the Chairman, the Company Secretary confirmed that the notice convening the AGM had been duly sent to all shareholders. The notice was also announced to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 29 June 2020 and advertised in the NST newspaper on 30 June 2020.

The Chairman announced that the notice, having been circulated within the prescribed period, was taken as read.

### 4. PRESENTATION

The Chief Executive Officer, Mr Gregory David Shaw (“**Mr Shaw**”) presented an overview of the Group’s performance and strategies to the shareholders and proxies.

5. **PROCEEDINGS AND POLLING**

The Chairman informed the shareholders and proxies that the voting of resolutions at the AGM would be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. For this purpose, the Chairman exercised his right as Chairman of the Meeting to demand for a poll in accordance with Clause 72 of the Company's Constitution in respect of all the resolutions which would be put to vote at the AGM.

He further informed that the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd was the appointed Poll Administrator to conduct the electronic polling process and Boardroom Corporate Services Sdn Bhd was the appointed Scrutineers to verify the poll results.

Puan Rozleen Monzali, the representative of Boardroom Share Registrars Sdn Bhd was invited by the Chairman to brief on the procedure for the remote voting and electronic polling process.

After the briefing by Puan Rozleen, the Chairman informed that the online voting session would be open throughout the meeting. Shareholders and proxies could submit their votes in real-time while the AGM was in progress.

The Chairman then tabled all the resolutions in the agenda of the AGM, as follows:

6. **AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon were tabled to the shareholders.

The Chairman informed that the Audited Financial Statements were required to be laid before the shareholders pursuant to Section 340(1)(a) of the Companies Act 2016 and the Audited Financial Statements did not require a formal approval by the shareholders. Hence, it was not put forward for voting.

The Chairman then declared that the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon were received and duly tabled at this AGM.

7. **ORDINARY RESOLUTION 1**

- **Re-election of Mr Loong Caesar pursuant to Clause 106 of the Company's Constitution**

The Chairman handed over the chairmanship to Mr Lee Eng Leong ("Mr Lee") to preside over Ordinary Resolution 1 as he was an interested party.

Mr Lee tabled Ordinary Resolution 1 on the re-election of Mr Loong Caesar who retired by rotation pursuant to Clause 106 of the Company's Constitution. Mr Loong, being eligible, has offered himself for re-election. Mr Lee then passed the proceedings back to the Chairman.

8. **ORDINARY RESOLUTION 2**

- **Re-election of Mr Geoffrey Earl Grady pursuant to Clause 89 of the Company's Constitution**
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The Chairman tabled Ordinary Resolution 2 on the re-election of Mr Geoffrey Earl Grady who retired pursuant to Clause 89 of the Company's Constitution. Mr Grady, being eligible, has offered himself for re-election.

9. **ORDINARY RESOLUTION 3**

- **Payment of Directors' Fees and Benefits**
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The Chairman tabled Ordinary Resolution 3 on the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 31 July 2020 until the conclusion of the next AGM of the Company.

He informed that the benefits payable to the Non-Executive Directors comprised fixed allowance and meeting attendance allowance. Details of the remuneration were set out under Explanatory Note 4 in the Notice of AGM.

10. **ORDINARY RESOLUTION 4**

- **Re-appointment of Messrs KPMG PLT as Auditors**
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The Chairman tabled Ordinary Resolution 4 on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

He informed that Messrs KPMG PLT have indicated their willingness to continue in office for the ensuing year.

11. **ORDINARY RESOLUTION 5**

- **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**
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The Chairman tabled Ordinary Resolution 5, which was to empower the Directors to issue shares in the Company of not more than 20% of the total number of issued shares of the Company to facilitate capital raising in a timely and cost effective manner. This mandate was sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next AGM.

12. **ORDINARY RESOLUTION 6**

- **Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan**
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The Chairman tabled Ordinary Resolution 6 on the Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan. This authority would be valid until the conclusion of the next AGM of the Company.

13. **ORDINARY RESOLUTION 7**

**• Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

The Chairman tabled Ordinary Resolution 7 on the Proposed Renewal of Authority for the Purchase by the Company of its Own Shares. This resolution would allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company.

14. **ORDINARY RESOLUTION 8**

**• Continuing in Office as Independent Non-Executive Director – Mr Loong Caesar**

The Chairman handed over the chairmanship to Mr Lee to preside over Ordinary Resolution 8 as he was an interested party.

Mr Lee tabled Ordinary Resolution 8 on the retention of Mr Loong Caesar, who has served on the Board for a cumulative term of 9 years, as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017. Mr Lee then passed the proceedings back to the Chairman.

15. **ORDINARY RESOLUTION 9**

**• Continuing in Office as Independent Non-Executive Director – Mr Chew Hoy Ping**

The Chairman tabled Ordinary Resolution 9 on the retention of Mr Chew Hoy Ping, who has served on the Board for a cumulative term of more than 12 years, as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017. He explained that this resolution would be voted through a two-tier voting process.

16. **QUESTIONS & ANSWERS SESSION**

With the completion of all the agendas, the Chairman opened the session for Questions and Answers, and invited shareholders and proxies to submit their questions by using the message icon on the Lumi AGM site.

The Chairman read out the questions received from shareholders and proxies via the message icon on the Lumi AGM site. The questions were addressed by the Chairman, the Executive Director (Mr Lee) and the Chief Executive Officer (Mr Shaw), as set out below:

Q1. *Being a Malaysian listed company, is the Group looking to acquire any assets in Malaysia other than what it currently has in Leisure Farm, Johor?*

Mr Shaw responded that the Group is always looking for opportunities to acquire assets whether in Malaysia or Australia, but the Group is also conscious of the operating risk in the current environment in light of the COVID-19 pandemic.

Q2. *Does the Company intend to buy-back its own shares from the market?*

Mr Shaw responded that if the Company's share price in the market is undervalued and where the Company has excess capacity, the Company would consider to undertake the share buy-back exercise, which had occurred in the past.

The Board would continue to look at that opportunity to improve the overall value of the Company for the benefit of shareholders.

Q3. *How much did the Company spent on this virtual AGM?*

The Chairman responded that the cost for holding this virtual AGM was approximately RM36,000 (excluding service tax and disbursements).

Q4. *Would the Company consider giving vouchers as a reward to shareholders who participated in this virtual AGM during this difficult time of COVID-19 pandemic?*

The Chairman responded that there would be no distribution of vouchers at this virtual AGM, as there was no physical attendance by shareholders/proxies.

Q5. *What is being done to reduce the operating expenses during the hotel closure period and how much impact would this have in percentage terms?*

Mr Shaw responded that Management's swift action on the closure of hotels effective from late March 2020 has made about 50% in terms of salary savings. In addition, the Group had also been successful in being eligible for JobKeeper subsidies from the Australian Government for majority of the subsidiaries. This subsidy represented A\$1,500 per employee per fortnight.

Q6. *We note that the InterContinental Sydney Hotel property has not been valued since 2004. When would this property be revalued? How would the net book value be expected to change after revaluation?*

Mr Shaw responded that the Hotel has continued to be a strong performer and has outperformed the competition. The valuation of the Hotel is very much based upon the financial performance and Management expected the value of the Hotel to have improved materially since 2004.

Currently, the value of the Hotel would be uncertain in view of the unknown factors in terms of recovery aftermath of the COVID-19 pandemic. Up to 31 December 2019, the Hotel has traded very well and Management believed its valuation has improved substantially since 2004. However, there is expected to be some reduction in the valuation given the current environment and the uncertainty regarding the timing of recovery.

Q7. *How much does Mulpha expect to recover from Mula/Bestari?*

Mr Lee responded that during the hearing held on 17 July 2020, the High Court Judge has delivered his judgement, subject to any appeals and further legal proceedings. Mulpha was successful in proving the claim against the defendants (Mula Group), and the Judge declared the amount due and payable to Mulpha to be RM301 million plus interest. Mulpha was also successful in defending the relevant counterclaim and the Judge dismissed Mula's counterclaim with costs.

- Q8. *Regarding the Company's intention to seek approval of the shareholders today to renew the authority for the proposed renewal of share buy-back authority, what would be the conditions for buying back shares?*

Mr Lee responded that apart from the value of the Company's share price, the Board would take into consideration the cash flow position and capital management of the Company before undertaking the share buy-back exercise.

- Q9. *The Company is also seeking authority to issue shares. Does the Company think it would make sense to issue shares given the 80%+ discount to net tangible assets?*

Mr Lee responded that the Company does not have intention to issue new shares at this point in time. The Company would take this factor into consideration should there be intention to issue new shares in the future.

- Q10. *It seems that Mulpha's assets would fetch a higher valuation on the Australian stock market, looking at comparable companies listed there. Has Mulpha looked at the feasibility of re-listing in Australia?*

Mr Shaw responded that Management has not explored the feasibility of listing in Australia, as the Group has been very focused on building the value of the assets and continuing to improve the income streams of the business. At this stage, particularly given the disruption of the COVID-19 pandemic, the greater focus has been on optimising performance, managing cash flow and ensuring that the Group would recover from the pandemic in a stronger and more resilient manner.

With no further questions from the shareholders and proxies, the Chairman concluded the Questions and Answers session.

## 17. **POLLING PROCESS**

The Chairman reminded the shareholders and proxies to cast their votes on all the resolutions via the electronic voting facility, as the voting session would continue for another 10 minutes. He informed that the verification of votes by the Scrutineers would take approximately 20 minutes after the conclusion of the voting session.

The Chairman informed that he has been appointed to act as proxy for a number of shareholders and he would vote in accordance with their instructions given. He then adjourned the AGM at 3.10 p.m. for the polling process, followed by verification of votes by the Scrutineers.

## 18. **ANNOUNCEMENT OF POLL RESULTS**

Having received the poll results from the Scrutineers, the Chairman called the AGM to be resumed at 3.40 p.m. for the announcement of the poll results. The poll results were compiled by the Poll Administrator, Boardroom Share Registrars Sdn Bhd and verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd. Cik Ruzeti, the representative of Boardroom Corporate Services Sdn Bhd, was invited by the Chairman to read out the poll results, which were also projected on the screen as follows:-

	VOTES FOR	%	NO OF RECORDS	VOTES AGAINST	%	NO OF RECORDS
RESOLUTION 1	196,249,121	99.868781	99	257,855	0.131219	19
RESOLUTION 2	196,380,891	99.935837	101	126,085	0.064163	17
RESOLUTION 3	196,375,323	99.934020	86	129,653	0.065980	31
RESOLUTION 4	196,394,021	99.942519	103	112,955	0.057481	15
RESOLUTION 5	196,170,413	99.632061	91	724,452	0.367939	26
RESOLUTION 6	196,781,035	99.942441	100	113,330	0.057559	16
RESOLUTION 7	196,879,375	99.992133	102	15,490	0.007867	15
RESOLUTION 8	196,400,061	99.945592	103	106,915	0.054408	15
RESOLUTION 9	196,373,391	99.932020	99	133,585	0.067980	19
- TIER 1 (LARGE HOLDERS)	155,650,108	100.000000	7	0	0.000000	0
- TIER 2 (OTHER HOLDERS)	40,723,283	99.673041	92	133,585	0.326959	19

Based on the poll results, the Chairman declared that all the resolutions tabled at the AGM were duly carried. It was RESOLVED as follows:-

(a) **ORDINARY RESOLUTION 1**

- **Re-election of Mr Loong Caesar pursuant to Clause 106 of the Company's Constitution**

THAT Mr Loong Caesar who retired by rotation pursuant to Clause 106 of the Company's Constitution, be hereby re-elected as Director of the Company.

(b) **ORDINARY RESOLUTION 2**

- **Re-election of Mr Geoffrey Earl Grady pursuant to Clause 89 of the Company's Constitution**

THAT Mr Geoffrey Earl Grady who retired pursuant to Clause 89 of the Company's Constitution, be hereby re-elected as Director of the Company.

(c) **ORDINARY RESOLUTION 3**

- **Payment of Directors' Fees and Benefits**

THAT the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 31 July 2020 until the conclusion of the next AGM of the Company, be hereby approved.

(d) **ORDINARY RESOLUTION 4**

- **Re-appointment of Messrs KPMG PLT as Auditors**

THAT Messrs KPMG PLT be hereby re-appointed as Auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration.

(e) **ORDINARY RESOLUTION 5**

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

THAT subject always to the Companies Act 2016 ("**the Act**"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act:

- (a) to issue and allot new shares in the Company; and/or
- (b) to grant rights to subscribe for shares in the Company; and/or
- (c) to convert any security into shares in the Company; and/or
- (d) to allot shares under an agreement or option or offer,

at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and THAT the Directors be further authorised to do all such acts and things including executing all relevant documents as they may consider expedient or necessary to complete and give full effect to the abovesaid mandate.

(f) **ORDINARY RESOLUTION 6**

- **Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan**
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THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 27 June 2011 and renewed at the AGM held on 12 June 2019, the Directors be and are hereby authorised to issue and allot new ordinary shares in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next AGM of the Company, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company.

THAT the Directors and the Secretary be and are hereby authorised to do all such acts and enter into all such transactions, agreements, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or at the discretion of the Directors in the best interest of the Company.

(g) **ORDINARY RESOLUTION 7**

- **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**
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THAT subject to compliance with the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and



- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:

- (i) the conclusion of the next AGM of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividends and/or subsequently cancel them or such other manner as may be allowed under the Act and the Main Market Listing Requirements of Bursa Securities.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.

(h) **ORDINARY RESOLUTION 8**

- Continuing in Office as Independent Non-Executive Director – Mr Loong Caesar**
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THAT approval be and is hereby given to Mr Loong Caesar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017.

(i) **ORDINARY RESOLUTION 9**

- Continuing in Office as Independent Non-Executive Director – Mr Chew Hoy Ping**
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THAT approval be and is hereby given to Mr Chew Hoy Ping, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017.

19. **CONCLUSION**

The AGM was declared closed by the Chairman at 3.50 p.m. The Chairman thanked all shareholders and proxies for their participation in the virtual AGM.