

## **ANALABS RESOURCES BERHAD**

Registration No: 199801012843 (468971-A)  
(Incorporated in Malaysia)

MINUTES of the Twenty-First Annual General Meeting of the Company held at The Royal Room of the Sultan Abdul Aziz Shah Golf & Country Club, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 4 October, 2019 at 11.00 a.m.

PRESENT : Mr Kan Yow Kheong – Chairman  
Others as per attendance list attached

### **1. QUORUM**

The Chairman welcomed the members and the Directors to the Company's Twenty-First Annual General Meeting ("21<sup>st</sup> AGM").

On behalf of the Board of Directors, the Chairman welcomed Ms Lye Meei Ruu who was appointed as the Independent Non-Executive Director of the Company on 5 August 2019 and proceeded to introduce Ms Lye to the shareholders.

Upon confirming the presence of a quorum pursuant to Article 65 of the Company's Constitution, he invited the Company Secretary to take the Meeting through the Agenda.

### **2. NOTICE**

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company within the prescribed notice period, was taken as read.

The Company Secretary, Ms Irene Chew reported that the Company had received 34 valid proxies representing 0.04% of the Company's issued share capital.

The Company Secretary informed that the Company has received a letter from the Minority Shareholders Watchdog Group ("MSWG") dated 26 September 2019. She read out MSWG's questions and the Company's responses thereto for the Meeting's information. Copies of the letter from MSWG and the Company's reply to MSWG are attached as Appendices I and II respectively.

Before the Meeting proceeded with the first item of the agenda, the Company Secretary informed that voting for the resolutions as set out in agendas 2 to 5 in the notice of the 21<sup>st</sup> AGM will be carried out by poll in line with Bursa's Listing Requirements and Quantegic Services Sdn Bhd, an independent scrutineer, has been appointed to validate the votes. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 21<sup>st</sup> AGM.

**3. VOTING OF RESOLUTIONS AT THE MEETING**

The Secretary informed that that apart from the Special Resolution which requires a majority of not less than 75% of the total voting rights of the shareholders who are present and entitled to vote at this meeting, resolutions 1 to 11 proposed at the AGM require a simple majority or more than 50% of the total voting rights of the shareholders who are entitled to vote either in person or by proxy at this meeting.

The Secretary then proceeded to discuss Agenda 1.

**4. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019**

The Audited Financial Statements for the financial year ended 30 April 2019 (“AFS 2019”) and the Reports of the Directors and Auditors having been circulated to all the Members within the prescribed period was taken as read.

The Company Secretary informed that the accounts are tabled for information only as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence this Agenda is not put forward for voting.

The following questions were raised by Shareholders and addressed as follows:-

- i. Mr Teh Kian Lang (“Mr Teh”) referred the Meeting to the Management Discussion and Analysis Statement where it was stated that there was an unexpected rise in the prices of raw materials in the second half of FY2018. He enquired on the list of raw materials that registered a spike in prices.

Mr Kan Mun How (“Mr MH Kan”) informed that the price of paper and resins increased substantially as a result of the trade war between US and China before it dropped and plateaued in early 2019.

- ii. To the enquiries raised by Mr Chee Sai Mun (“Mr Chee”), the Chairman invited Mr MH Kan and Messrs Crowe Malaysia PLT to respond on the following:-

- (a) The list of the top 3 stocks invested by Analabs

The Chairman informed that the top stock invested by the Company is Malayan Banking Berhad which is highly regulated and provides regular and good dividend yield.

The Chairman added that main investment criteria are dividend yield and market liquidity. The Group does not invest in speculative shares and investments are made on a long term basis. The Group has not utilized the margin trading account.

In addition to the above, the Chairman reported that dividend income derived from the Group's investment had increased over the years and this would provide the Group with a stable income for the coming years.

- (b) Proposal to distribute the 11,094,000 treasury shares held by the Company as share dividend or to dispose the treasury shares in the market, proceeds of which would be used to declare as dividend to shareholders.

The Chairman informed that the Board will deliberate on the above proposal.

- (c) Page 85, Note 14 (Non-Controlling Interests (NCI)). The reason that the loss of RM164,000 incurred by Singapore Analabs Pte Ltd (SAPL) in 2019 is charged to other comprehensive income/(loss) allocated to NCI instead of Profit or Loss.

Mr Michael Ong representing Messrs Crowe Malaysia PLT ("Crowe") clarified that the other comprehensive loss allocated to NCI was in relation to the translation reserve of SAPL and is disclosed in accordance with the prevailing accounting standards. SAPL is a long term investment denominated in SGD.

- (d) Page 86, Note 15 (Loans and Borrowings). What is the interest rate of the margin trading?

Mr MH Kan informed that it is based on a fixed interest rate of 4.7%, renewable on a yearly basis.

- iii. Mr Ho enquired on the reason for the resignation of Cik Nur Syazwani who held the office as the Independent Director for less than 1 year and was informed by the Chairman that Cik Nur Syazwani has relocated to Melaka following her marriage.

Mr Ho thereafter enquired on the future performance of the Group as the performance of the core business segments are on a declining trend.

Mr MH Kan reported the current business environment is very challenging. He anticipates that the performance of the core business of the Group, namely manufacturing and sale of resin to improve following the increase in demand from US due to lower its purchases from China in view of the trade war. However, the recovery of recycle products segment is facing challenges due to the slowdown in manufacturing activities in the country resulting in less waste collected.

The Chairman added that currently, the pipe laying business in Singapore is focused on short term projects due to shortage of long term contracts.

In replying to Mr Pui Ching Woi, the Chairman reported that it would be challenging to expand the aquaculture segment due to the lack of manpower coupled with the difficulty to obtain work permits for its foreign workers.

Mr Ho thereafter referred the Meeting to pages 99 and 102 (Business Segments) and enquired on the reason for the substantial increase in inter-segment revenue under the investment holding and property letting segment from RM8.247 million in 2018 to RM22.974 million in 2019.

Mr Michael Ong reported that during the year 2019, the Group received rental yield from one of its properties and received dividend from subsidiaries in Singapore. There were no rental or dividend received in 2018.

The Chairman added that the value of the Group's properties, particularly in the Klang Valley have appreciated over the years. In reply to a query raised by a shareholder, the Chairman informed that Management is looking into divesting its unutilized properties.

A clarification was sought on the nature of the legal claim where the Group received a sum of RM818,000. The Chairman reported that the legal claim was in relation to the civil suit filed by the Company and Lux Distributor Sdn Bhd against Khor Siew Foo. Details of the case is outlined in Note 31 of the Audited Financial Statements.

- iv. Next, Mr Chee referred the Meeting to Page 86, Note 15 (Loans and Borrowings). He sought clarification on the increase in onshore foreign currency loan (fixed rate) which increased substantially from RM4.653 million in 2018 to RM8.259 million in 2019.

Mr MH Kan informed that the Group used the onshore foreign currency loan to pay its suppliers in foreign currency as it is a cheaper alternative compared to Ringgit financing. The interest rate for the onshore foreign currency loan is lower compared to Ringgit borrowing.

Mr Chee thereafter referred the Meeting to the financial results for the quarter ended 31 July 2019, particularly on the segmental results which was announced in September 2019. He noted that although there was a drop in the revenue in the manufacturing, formulation and sale of resin, chemicals and building materials segment from RM27.844 million in 31 July 2018 to RM20.332 million in 31 July 2019, it recorded an increase in profit from RM2.002 million to RM3.031 million. For the contract work, pipe laying and rehabilitation segment, although revenue increased marginally from RM5.290 million in 31 July 2018 to RM5.336 million in 31 July 2019, profit increased from RM267,000 to RM552,000. He sought the reasons for the increase in profit for the 2 segments above.

Mr MH Kan reported that the cost of raw material and raw paper dropped by an average of between 20% to 30% in 2019 and this contributed to the increase in profit for the manufacturing, formulation and sale of resin, chemicals and building materials segment. For the contract work, pipe laying and rehabilitation segment, the Group managed to secure a short term project that yielded a reasonably profit margin.

4. Next, Mr Rein Hashim enquired on the following:-

- (i) if the Company anticipates that it could continue to achieve the good results recorded in the first quarter ended 31 July 2019
- (ii) if it is the Company's policy to provide for impairments and adjustments in the last quarter. The adjustments resulted in the Group recording a loss of approximately RM2 million in the last quarter ended 30 April 2019.

Mr Low Chin Ann answered that the Group's results and the earning per share recorded in the first quarter ended 31 July 2019 are within the normalized level. As for question (ii) above, the Meeting was informed that the Group undertook a revaluation exercise in Q4 2019 and the result were incorporated in the last quarter. Impairments and adjustments were made to a few of the Group's properties which recorded a revaluation deficit. The net revaluation surplus and deficit amounted to RM36.778 million and RM1.757 million respectively.

Mr Rein Hashim requested the Company to consider not convening general meetings on a Friday to support diversity which was duly noted by the Board. The Board would endeavor not to fix the Company's general meetings on Fridays, going forward.

As there was no further questions on the AFS 2019, the AFS 2019 was received and accepted by the shareholders.

**4. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY'S CONSTITUTION**

The following motion for the re-election of Mr Kan Yow Kheong pursuant Company's Constitution was put to vote:-

"THAT Mr Kan Yow Kheong retiring pursuant to Article 83 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

**5. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY'S CONSTITUTION**

The following motion for the re-election of Mr Lim Yoke Soo pursuant Company's Constitution was put to vote:-

"THAT Mr Lim Yoke Soo retiring pursuant to Article 83 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

**6. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY'S CONSTITUTION**

The following motion for the re-election of Mr Kan Mun Hoow pursuant Company's Constitution was put to vote:-

“THAT Mr Kan Mun Hoow retiring pursuant to Article 83 of the Company’s Constitution and being eligible be hereby re-elected as Director of the Company.”

**7. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY’S CONSTITUTION**

The following motion for the re-election of Mr Low Chin Ann @ Han Chin Ann pursuant Company’s Constitution was put to vote:-

“THAT Mr Low Chin Ann @ Han Chin Ann Mr Lai Yew Choong retiring pursuant to Article 83 of the Company’s Constitution and being eligible be hereby re-elected as Director of the Company.”

**8. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY’S CONSTITUTION**

The following motion for the re-election of Mr Lai Yew Choong pursuant Company’s Constitution was put to vote:-

“THAT Mr Lai Yew Choong retiring pursuant to Article 83 of the Company’s Constitution and being eligible be hereby re-elected as Director of the Company.”

**9. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 83 OF THE COMPANY’S CONSTITUTION**

The following motion for the re-election of Mr Clifton Heath Fernandez pursuant Company’s Constitution was put to vote:-

“THAT Mr Clifton Heath Fernandez retiring pursuant to Article 83 of the Company’s Constitution and being eligible be hereby re-elected as Director of the Company.”

**10. RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 85 OF THE COMPANY’S CONSTITUTION**

The following motion for the re-election of Ms Lye Meei Ruu pursuant to Article 85 of the Company’s Constitution was put to vote:-

“THAT Ms Lye Meei Ruu retiring pursuant to Article 85 of the Company’s Constitution and being eligible be and is hereby re-elected as Director of the Company.”

**11. PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 30 APRIL 2020**

The Company had proposed a payment of Directors’ fees up to RM108,000.00 for the financial year ending 30 April 2020. The following motion was put to vote:-

“THAT the payment of Directors’ fees up to RM108,000.00 in respect of the year ending 30 April 2020 be hereby approved.”

**12. RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY**

Messrs Crowe Malaysia PLT who was retiring at the 21<sup>st</sup> AGM had given their consent for re-appointment. It was noted that no other nominations had been received by the Company.

The following motion was put to the meeting for a vote:-

“THAT Messrs Crowe Malaysia PLT be and is hereby re-appointed Auditors at a remuneration to be determined by the Directors.”

**13. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (“the Act”)**

The next item on the agenda was to seek the shareholders authority for the allotment of shares pursuant to Sections 75 and 76 of the Act.

The following motion was put to the meeting for a vote:-

“THAT pursuant to Sections 75 and 76 of the Act and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit and in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed 10% of the issued share capital 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 (“Bursa Securities”) and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**14. PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES**

The next item on the agenda was to seek shareholders’ authority to renew the Proposed Share Buy Back Mandate.

The following motion was put to the meeting for a vote:-

“THAT subject to the rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution and the Listing Requirements of Bursa Securities and any other relevant authorities, the Board be and is hereby authorised to purchase the Company’s shares through Bursa Securities (“Proposed Share Buy-Back”) subject to the following:-

- a. the maximum number of the Company’s shares which may be purchased and/or held as treasury shares by the Company at any point in time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued share capital of the Company;

- b. the maximum funds to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the aggregate of the retained profits of the Company;
- c. the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and
- d. upon completion of the purchase(s) of the Company's shares by the Company, the Board be and is hereby authorised to retain the Company's shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND that the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Company's shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

**15. PROPOSED ADOPTION OF THE NEW CONSTITUTION**

The Meeting was informed that the last item on the Agenda was to seek approval to revoke the existing Constitution and in place thereof, to adopt the proposed new Constitution of the Company, as set out in Appendix I of the Annual Report dated 30 August 2019.

The Proposed Special Resolution, if passed, will streamline the Company's Constitution with the new provisions of the Companies Act, 2016 amendments made to Bursa Malaysia Securities Berhad's Main Market Listing Requirements and enhance administrative efficiency.

The following motion was put to the meeting for a vote:-

"THAT approval be hereby given to revoke the existing Constitution and in place thereof, the proposed new Constitution of the Company, as set out in Appendix I of the Circular to Shareholders dated 30 August 2019 despatched together with the Company's Annual Report 2019 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give effect to the foregoing.”

**16. POLLING PROCESS**

The Company Secretary invited the representative of Boardroom Share Registrars Sdn Bhd to explain the procedures of the poll. The poll commenced at 12.30 p.m.

With the proposal by Mr Teh Kian Lang and seconded by Mr Chee Sai Mun, the Meeting was adjourned for poll counting and the Meeting was adjourned to 1.00 p.m.

**17. ANNOUNCEMENT OF POLL RESULTS**

At 1.00 p.m., on behalf the Chairman, the Company Secretary called the Meeting to order to announce the poll results to the shareholders and proxies present.

**Resolution 1**

**Re-election of Mr Kan Yow Kheong pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 1 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 1</b>	75,940,198	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 1 was duly passed.

**Resolution 2**

**Re-election of Mr Lim Yoke Soo pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 2 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 2</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 2 was duly passed.

**Resolution 3****Re-election of Mr Kan Mun Hoow pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 3 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 3</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 3 was duly passed.

**Resolution 4****Re-election of Mr Low Chin Ann @ Han Chin Ann pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 4 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 4</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 4 was duly passed.

**Resolution 5****Re-election of Mr Lai Yew Choong pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 5 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 5</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 5 was duly passed.

**Resolution 6****Re-election of Mr Clifton Heath Fernandez pursuant to Article 83 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 6 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 6</b>	75,934,098	99.9762	18,100	0.0238

As 75,934,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 6 was duly passed.

**Resolution 7****Re-election of Ms Lye Meei Ruu pursuant to Article 85 of the Company's Constitution**

The Company Secretary announced the poll results in respect of Resolution 7 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 7</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 7 was duly passed.

**Resolution 8****Payment of Directors' Fees of M108,000 for the financial year ending 30 April 2020**

The Company Secretary announced the poll results in respect of Resolution 8 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 8</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Resolution 8 was duly passed.

**Resolution 9****Re-appointment of Messrs Crowe Malaysia PLT as auditors of the Company**

The Company Secretary announced the poll results in respect of Resolution 9 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 9</b>	75,934,098	99.9762	18,100	0.0238

As 75,934,098 shares representing 99.9762% of the total votes cast were in favour of the motion, Resolution 9 was duly passed.

**Resolution 10****Authority to allot shares pursuant to Sections 75 and 76 of the Act**

The Company Secretary announced the poll results in respect of Resolution 10 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 10</b>	75,937,798	99.9870	9,900	0.0130

As 75,937,798 shares representing 99.9870% of the total votes cast were in favour of the motion, Resolution 10 was duly passed.

**Resolution 11****Proposed renewal of authority for the purchase by the Company of its own Ordinary Shares**

The Company Secretary announced the poll results in respect of Resolution 11 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 11</b>	75,939,698	99.9895	8,000	0.0105

As 75,939,698 shares representing 99.9895% of the total votes cast were in favour of the motion, Resolution 11 was duly passed.

**Special Resolution**  
**Proposed Adoption of New Constitution**

The Company Secretary announced the poll results in respect of Special Resolution as follows:-

<b>Resolution</b>	<b>For</b>		<b>Against</b>	
	<b>Number of shares</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
<b>Special Resolution</b>	75,944,098	99.9893	8,100	0.0107

As 75,944,098 shares representing 99.9893% of the total votes cast were in favour of the motion, Special Resolution was duly passed.

**18. CLOSURE**

There being no other business for which due notice had been given, the Meeting was declared closed at 1.05 p.m. with a vote of thanks to the Chair.

**END**