

**KPS CONSORTIUM BHD**  
Registration No. 198501011364 (143816-V)  
Incorporated in Malaysia

**MINUTES** of the Thirty-Fifth ("35<sup>th</sup>") Annual General Meeting ("AGM") ("the Meeting") of the Company conducted on a fully virtual basis via online platform located in Malaysia on Friday, 25 June 2021 at 11.00 a.m.

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<b>DIRECTORS PRESENT</b>	: Mr. Lau Fook Meng (Chairman of the Meeting) Mr. Tan Kong Ang Mr. Lim Choon Liat Mr. Hew Chee Hau
<b>ABSENT WITH APOLOGIES</b>	: Datuk Chua Hock Gee
<b>IN ATTENDANCE</b>	: Ms. Cindy Lim (Company Secretary)
<b>BY INVITATION</b>	: As per Attendance List
<b>SHAREHOLDERS/PROXIES</b>	: As per Attendance List

#### **CHAIRMAN**

Mr. Lau Fook Meng ("The Chairman") was elected to chair the Meeting. He took the chair and called the Meeting to order. The Chairman informed that Datuk Chua Hock Kee has conveyed his apologies for unable to join the meeting. He welcomed and thanked the members, the proxies and the invited guests for participating remotely from various locations through live streaming.

The Chairman informed that due to the total lockdown nationwide which took effect from 1 June 2021, the 35<sup>th</sup> AGM was conducted in a virtual manner in adherence to the guidelines issued by the Securities Commission where all Board members inclusive himself were participating the virtual meeting remotely from various locations. The Chairman proceeded to introduce all Board members who participated remotely in the Meeting.

The Chairman further informed that the Company Secretary, the External Auditors and Senior Management team were also participated remotely.

#### **QUORUM**

Pursuant to Clause 63 of the Company's Constitution, two (2) members present in person or by proxy shall constitute a quorum for the meeting. The Company received 13 valid members and proxies, making a total of 36,101,915 shares represented 24.42% of the total issued shares of the Company logged in at the commencement of the Meeting.

As the requisite quorum was present, the Chairman declared the Meeting duly convened.

#### **NOTICE**

The Notice of 35<sup>th</sup> AGM dated 31 May 2021 having been circulated to all members within the statutory period, was taken as read.

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, all resolutions tabled at the Meeting would be voted by way of poll which would be conducted electronically via the Remote Participation and Voting ("RPV") facility provided by Mega Corporate Services Sdn. Bhd., the appointed Poll Administrator and would be verified by Cygnus Technology Solutions Sdn. Bhd. who has been appointed as the Independent Scrutineer.

The Chairman invited all participants to post questions in the Questions pane of the webinar where the Board members would address the questions during the Question & Answer session after tabling all the resolutions. The Chairman informed that for those questions which are unable to be addressed in the Meeting, the management would reply by email as soon as possible after the Meeting.

The Chairman informed that shareholders and proxies who have registered via the designated link, should have received an email on Digital Ballot Form (DBF) together with the remote-voting guide on how to cast the votes. The voting on the resolutions could be done at any time throughout the Meeting until the closure of the voting session.

## **BUSINESS OF THE MEETING**

### **1. AGENDA (1) - REPORTS AND FINANCIAL STATEMENTS**

The Chairman informed that the first item on the agenda was to receive the Audited Financial Statements of the Company and its Group for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon which was meant for discussion only as the Company's Constitution provides that the Audited Financial Statements are to be laid in the general meeting.

The Chairman invited participants to post questions online and the Board members would address all the Questions during the Question & Answer session after tabling all the resolutions at the Meeting.

### **2. ORDINARY RESOLUTION (1) - DIRECTORS' FEES AND BENEFITS**

The Chairman tabled Ordinary Resolution 1 which was in relation to payment of Directors' fees and benefits up to RM73,500.00 to Non-Executive Directors for the financial year ending 31 December 2021.

Participants were encouraged to post questions online and the Board members would address all the Questions during the Question & Answer session after tabling all the resolutions at the Meeting.

### **3. ORDINARY RESOLUTIONS (2) TO (4) - RE-ELECTION OF DIRECTORS**

The Chairman tabled Ordinary Resolutions 2 to 4 which dealt with the re-elections of the following Directors who were retiring in accordance with the Company's Constitution and all being eligible, had offered themselves for re-election:-

- (i) Mr. Lim Choon Liat - Clause 78 (*Ordinary Resolution 2*);
- (ii) Mr. Tan Kong Ang - Clause 78 (*Ordinary Resolution 3*); and
- (iii) Mr. Hew Chee Hau - Clause 79 (*Ordinary Resolution 4*).

Their profiles were set out in the Profile of Directors' section on pages 5 and 6 of the Annual Report 2020.

**4. ORDINARY RESOLUTION (5)  
- RE-APPOINTMENT OF AUDITORS**

The Chairman informed that Ordinary Resolution 5 was in relation to the re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to hold office until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration.

**AS SPECIAL BUSINESS:-**

**5. ORDINARY RESOLUTIONS (6) AND (7)  
- RETENTION OF INDEPENDENT DIRECTORS**

The Chairman informed that Ordinary Resolutions 6 and 7 were to retain Mr. Lim Choon Liat and Mr. Tan Kong Ang who have served the Company for a consecutive term of 12 years as Independent Directors.

It was recorded that two-tier voting process were conducted for these resolutions pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance.

For the two-tier voting, Mr. Koh Poh Seng, being the largest shareholder of voting shares in the Company was classified as Tier 1 and the remaining shareholders as Tier 2.

These resolutions were deemed successful if both Tier 1 and Tier 2 votes support the resolutions.

**6. ORDINARY RESOLUTION (8)  
- AUTHORITY TO ALLOT SHARES**

The Chairman informed that Ordinary Resolution 8 was to obtain approval from the shareholders to empower the Directors to allot shares not more than 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

**7. QUESTIONS & ANSWERS**

The Chairman proceeded with the Questions & Answers session.

There were several questions posted online. The questions and answers were as per the Appendix 1 attached.

As there were no further questions raised by the shareholders/proxies, the Chairman adjourned the 35<sup>th</sup> AGM for 15 minutes for poll voting.

**8. POLL RESULTS**

The Meeting resumed upon the receipt of the poll results from the Independent Scrutineer. The Chairman invited the Company Secretary, Ms Cindy Lim to read out the verified voting results as follows:-

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[Registration No. 198501011364 (143816-V)]

Minutes of 35<sup>th</sup> Annual General Meeting held on 25.06.2021 (cont'd)

Resolutions	Voted For			Voted Against			Results
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	
Ordinary Resolution 1	10	36,003,013	100.0000	1	2	0.0000	Accepted
Ordinary Resolution 2	11	36,003,015	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 3	11	36,003,015	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 4	11	36,003,015	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 5	10	36,002,915	99.9997	1	100	0.0003	Accepted
Ordinary Resolution 6 - Tier 1	1	34,210,912	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 6 - Tier 2	9	1,792,003	99.9944	1	100	0.0056	Accepted
Ordinary Resolution 7 - Tier 1	1	34,210,912	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 7 - Tier 2	9	1,792,003	99.9944	1	100	0.0056	Accepted
Ordinary Resolution 8	8	36,001,913	99.9997	2	103	0.0003	Accepted

Based on the above, the Chairman declared all Resolutions **CARRIED**.

## 9. OUTCOME OF THE MEETING

The Audited Financial Statements for the financial year ended 31 December 2020 and the Reports of the Directors and Auditors thereon were received.

### IT WAS RESOLVED:-

#### Ordinary Resolution 1

“THAT the payment of Directors’ fees and benefits to Non-Executive Directors up to RM73,500.00 for the financial year ending 31 December 2020 be and is hereby approved.”

#### Ordinary Resolution 2

“THAT Mr. Lim Choon Liat retires by rotation pursuant to Clause 78 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

#### Ordinary Resolution 3

“THAT Mr. Tan Kong Ang retires by rotation pursuant to Clause 78 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

**Ordinary Resolution 4**

“THAT Mr. Hew Chee Hau retires by rotation pursuant to Clause 79 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

**Ordinary Resolution 5**

“THAT the retiring auditors, Grant Thornton Malaysia PLT be re-appointed as auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be affixed by the Directors.”

**Ordinary Resolution 6**

“THAT Mr. Lim Choon Liat be and is hereby retained as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance.”

**Ordinary Resolution 7**

“THAT Mr. Tan Kong Ang be and is hereby retained as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance.”

**Ordinary Resolution 8**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.”

**9. TERMINATION**

The Chairman declared the Meeting concluded at 12.00 noon.

Confirmed True Record,

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**LAU FOOK MENG**  
Chairman of Meeting

**APPENDIX I**

The summary of Q&A raised by shareholders/proxies and duly addressed by the Board members are as follows:-

Question 1:

Will the Company reward its loyal shareholders with Touch & Go credits or food vouchers for attending the Meeting?

Answer 1:

The Group's operations have been affected due to the current Covid-19 pandemic and it was a loss-making in 2020. The Management hopes that operations will be getting better in 2021 before considering the rewards to shareholders.

Question 2:

Can the Board give some updates on the Group's businesses?

Answer 2:

The Group are still operating the same type of businesses since the Company listed on the stock exchange. The businesses are involved in dealing in building materials, trading in plywood, steel bars, timber, selling of photostat papers, manufacturing of toilet serviette and tissues in Ipoh and Kuching. The Group have a manufacturing plant in Shah Alam to make surface plywood for the use in furniture industry. Since the past 2 years, the Group have moved into getting construction projects as contractor.

Question 3:

What contributed to the loss in 2020? Was it due to production issues or the products are not saleable in the market? Please give some explanation.

Answer 3:

Basically the losses were due to the following:-

- inventories written down of RM1.7 million;
- fair value loss on investment properties of RM1.9 million;
- impairment loss of property, plant & equipment of RM0.9 million; and
- major impairment loss for financial assets mainly on bad debts of RM7.3 million.

The losses will be recovered in future when we overcome the current Covid-19 pandemic and when the whole Malaysian economy is growing.

Question 4:

How are plywood prices trading in the markets?

Question 4:

Plywood prices are trending up due to shortage of raw materials and the increase in prices associated with input material such as glue.