

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

Minutes of the Twenty-Fourth Annual General Meeting of the Company held at The Royal Ballroom 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 Wednesday, 5 October 2022 at 11.00 a.m.

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

1. QUORUM

The Chairman welcomed the shareholders, proxies, participants and the Directors to the Company's Twenty-Fourth Annual General Meeting ("24th AGM").

The Chairman then introduced to the Meeting the members of Board of Directors, Company Secretary and the Auditors. The Chairman conveyed that Mr Lai Yew Choong had extended his apologies for being absent as he was tested Covid-19 positive that morning.

Upon confirming the presence of a quorum, he invited the Company Secretary to take the Meeting through the Agendas as contained in the Notice.

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 reported that the Company had received 4 valid proxies holding 1,500 ordinary shares of the Company.

The Meeting was informed that the Company has received a letter from the Minority Shareholders Watch Group ("MSWG") dated 27 September 2022. The Secretary thereafter read out MSWG's questions and the Company's responses thereto as per Appendix I attached for the Meeting's information.

Before the Meeting proceeded with the first item of the agenda, the Company Secretary informed that Ordinary Resolutions 1 to 9 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 the Meeting.

3. VOTING OF RESOLUTIONS AT THE MEETING

The shareholders were informed that the voting for all the motions as set out in notice of the AGM will be carried out by poll in line with Bursa's Listing Requirements. It was noted that Boardroom Share Registrars Sdn. Bhd. has been appointed as the Poll Administrator and Quantegic Services Sdn. Bhd., an independent scrutineer has been appointed to validate the votes. The polling process would be conducted upon completion of the deliberation of all items to be transacted at the 24th AGM.

The Secretary then proceeded to discuss item 1 of the Agenda.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

The Audited Financial Statements for the financial year ended 30 April 2022 (“AFS 2022”) 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 AFS 2022 was 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 was not put forward for voting.

The Meeting then opened the floor for questions and answers. The key questions / comments raised at the Meeting were responded by the Chairman / Executive Director cum Group Chief Executive Officer/Mr Michael Ong (representative from the External Auditor, Messrs Crowe Malaysia PLT) as follows:

i) Questions / Comments from Mr Chee Sai Mun (Mr Chee) (shareholder)

- a) Is the dividend income received from Malayan Banking Berhad (MBB) included in the External Revenue of RM10.180 million stated in the segmental results for Investment Holding and Property Letting (Page 119 of the Annual Report)?

Response:

Mr Michael Ong informed that the dividends received from MBB is partially included in the External Revenue of RM10.180 million.

- b) Clarification on the difference in the External Revenue stated in the segmental results for Investment Holding and Property Letting of RM10.180 million (Page 119 of the Annual Report) and the dividends received of RM19.373 million as stated in the Statements of Cash Flows (Page 72 of the Annual Report).

Response:

Mr Michael Ong referred the Meeting to Page 111 of the Annual Report – Note 25 (Profit Before Tax). The dividend income from quoted investments in Malaysia of RM19.217 million was made up of the Group’s Revenue of RM9.858 million and the Group’s Other Income of RM9.359 million. The above is explained in footnotes (a) and (b) of Page 111.

Mr Michael Ong added that Analabs and some of its subsidiaries have investment in quoted securities. For subsidiaries whose principal activities are not investment holding, dividend income is recorded as other income whilst for subsidiaries whose principal activity is investment holding, the dividend income received is recorded as revenue.

- c) The rationale for classifying the investments in quoted securities as long term investment and short term investment, i.e. quoted securities held for trading purposes as the relevant companies would be taxed when the quoted securities

are sold in the future. Mr Chee was of the opinion that it is the intention of Analabs to hold the quoted securities as long term investment. In FY2022, the Group had only disposed-off RM1.144 million of its quoted investment compared to the total investments held by the Group of RM211.078 million.

Response:

Mr Michael Ong explained that the classification of long term investment and short term investment is required by MFRS 9.

- d) The percentage of contribution by Lux Distributor Sdn. Bhd. (Lux) to the Group's total revenue and Lux's performance in FY2022.

Response:

Mr MH Kan informed that Lux contributes approximately 10% of the Group's total revenue. He added that the operating environment for Lux has been challenging and for FY2022, Lux recorded a break-even position.

- e) Mr Chee recommended that the Directors consider to distribute the 11,114,100 treasury shares as dividends to the shareholders instead of cash dividends to conserve cash.

Response:

The Board took note of Mr Chee's recommendation and will deliberate on the matter accordingly.

ii) Mr Ho Yueh Weng (Mr Ho) (shareholder) raised the following questions:-

- a) It was observed that revenue recorded for FY2022 had been flat at RM 117.587 million (FY2021 : RM117.489 million) and the main operating segments have recorded a lower revenue compared to last year. He enquired if the Company expects a recovery in the performance of the main operating segments next year.

Response:

Mr MH Kan informed that the global economy had been volatile in the past year. The main operating segment (Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials) was badly hit as a result of the hike in the price of raw materials and hyperinflation. It is anticipated that the business environment for the next 12 to 18 months to be challenging.

The Group's strategy is to focus on the growth to enhance revenue streams by expanding its clientele base and network.

-
- b) It was observed that a substantial amount of capital/resources has been invested in the Investment Holding and Property Letting Segment. On the investment in quoted securities, it was noted that 96% of the investment was in MBB and 3% in Public Bank Berhad. He enquired on the person managing the Group's investment and the feasibility of maintaining the margin account as there are financial expenses that would be incurred.

Response:

The Chairman informed that he is the key person managing the Group's investment. Analabs has over the past 10 years received an average annual profits of RM10 million. The Chairman added that since its listing in year 2000, Analabs has grown from strength to strength from a total assets of RM75.447 million to RM444.967 million in FY2022.

As for the margin account, the Chairman informed that the dividend paid by MBB averaged at 6.5% to 6.6% whilst the interest charged for the margin account was approximately 4.0% per annum, thus resulting in a net gain of approximately 2.6%. In addition to the sustainable dividend income, the Group would also benefit from the capital appreciation of its investments in blue chip counters.

The margin account was used to finance the purchase of quoted investments held for long term and not for trading purposes.

- c) How did the waiver of debts of RM4.436 million arise and the nature of the Government grant income received of RM678,000.

Response:

The waiver of debts of RM4.436 million represents the amount owing to a director who is also the shareholder, holding 37% of the total issued and paid up capital of the foreign subsidiaries. The waiver of debts is attributable to the disposal of a foreign subsidiary during FY2022.

The Government grant income of RM678,000 comprised of subsidies and rebates received by Analabs subsidiaries in Singapore from the Government of Singapore.

- d) What were the plant and equipment purchased for RM2.138 million?

Response:

The purchase mainly comprised of solar equipment and trucks.

- e) Under the disaggregation of revenue from contracts with customers by geographical areas (Page 108 of the Annual Report) (the manufacturing, formulation and sale of resin, chemicals and building materials segment), it was observed that approximately 57% of the clients are based in Australia. What are the mitigation factors taken to address this risk?

Response:

Mr MH Kan informed that apart from Australia, the Group will focus to expand its clientele base as well as to venture into other regions and geographical areas.

- f) The measures taken to minimize the FOREX exposure as purchases are made in USD but are sold in Euro and Ringgit Malaysia. Does the Group undertake hedging to minimize its risk?

Response:

Mr MH Kan informed that currently, purchases and borrowings are made in USD whilst sales are made in USD, EURO and Ringgit Malaysia. Currently, the Group's loans and borrowings are denominated in USD and going forward, would explore the possibility of obtaining loans in other currencies, such as Renminbi as China is a major supplier.

- g) Clarification on the difference in the amount of dividend income received as stated in Note 24 and Note 25 of the Annual Report, reproduced below:-

		Group 2022 (RM'000)
Note 24 (Other Income)	Dividend income from: - Investments in unit trusts - Quoted investments	79 9,436
Note 25 (Profit Before Tax)	Dividend income from: - Investments in unit trusts - Quoted Investments in Malaysia - Quoted Investments outside Malaysia	(79) (19,217) (77)

Response:

Mr Michael Ong referred the Meeting to Page 111 of the Annual Report – Note 25 (Profit Before Tax). He explained that the quoted investments of RM9.436 million stated in Note 24 was made up of the Group's Other Income of RM9,359,000 from its quoted investments in Malaysia and RM77,000 from its quoted investments outside Malaysia.

The quoted investments in Malaysia of RM19.217 million stated in Note 25 comprised of dividends recorded under Group's Revenue of RM9.858 million and Group's Other Income of RM9.359 million. Dividends received by subsidiaries whose principal activities are not investment holding, are recorded as other income whilst dividends received by subsidiaries who undertakes investment holding are recorded as revenue.

The Chairman added that the dividends received from MBB amounted to approximately RM19 million compared to approximately RM6.9 million in the preceding year (FY2021). The dividends received have helped to cushion the

effect of among others, the increasing operating cost and inflation as the Group is not able to pass some of these cost to the customers.

iii) Questions / Comments from Ms Lim Chian Yai (Ms Lim) (representative from MSWG)

- a) Is the Company considering to appoint new Independent Directors to replace Mr Low Chin Han and Mr Lai Yew Choong who would retire at the conclusion of the Meeting.

Response:

The Chairman informed that for the time being, the Company would consider one more candidate for appointment as Independent Director. The Company may increase the number in due course, if required.

- b) Ms Lim suggested that going forward, the Company may consider to use the available multi-media facilities to present MSWG's questions and the reply thereto as well as a brief business presentation to the shareholders, which was duly noted by the Board.

5. RE-ELECTION OF MR KAN YOW KHEONG PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (RESOLUTION 1)

The following motion for the re-election of Mr Kan Yow Kheong pursuant to Clause 119 of the Company's Constitution was put to vote:-

"THAT Mr Kan Yow Kheong retiring pursuant to Clause 119 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

6. RE-ELECTION OF MR KAN MUN HOOW PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (RESOLUTION 2)

The following motion for the re-election of Mr Kan Mun Hoow pursuant to Clause 119 of the Company's Constitution was put to vote:-

"THAT Mr Kan Mun Hoow retiring pursuant to Clause 119 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

7. RE-ELECTION OF MR CLIFTON HEATH FERNANDEZ PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (RESOLUTION 3)

The following motion for the re-election of Mr Clifton Heath Fernandez pursuant to Clause 119 of the Company's Constitution was put to vote:-

"THAT Mr Clifton Heath Fernandez retiring pursuant to Clause 119 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

8. RE-ELECTION OF MS LYE MEEI RUU PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (RESOLUTION 4)

The following motion for the re-election of Ms Lye Meei Ruu pursuant to Clause 119 of the Company's Constitution was put to vote:-

"THAT Ms Lye Meei Ruu retiring pursuant to Clause 119 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

9. RE-ELECTION OF MS CHIA YEE YAN PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (RESOLUTION 5)

The following motion for the re-election of Ms Chia Yee Yan pursuant to Clause 119 of the Company's Constitution was put to vote:-

"THAT Ms Chia Yee Yan retiring pursuant to Clause 119 of the Company's Constitution and being eligible be hereby re-elected as Director of the Company."

10. RETIREMENT OF LOW CHIN ANN @ HAN CHIN ANN AND LAI YEW CHOONG PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION

The shareholders were informed that Mr Low Chin Ann @ Han Chin Ann and Mr Lai Yew Choong did not seek for re-election at the 24th AGM. Accordingly, they retired as Directors of the Company at the conclusion of the 24th AGM.

11. PAYMENT OF DIRECTORS' FEE FOR THE FINANCIAL YEAR ENDING 30 APRIL 2023 (RESOLUTION 6)

The Company had proposed a payment of Directors' fee up to RM108,000.00 for the financial year ending 30 April 2023. The following motion was put to vote:-

"THAT the payment of Directors' fee up to RM108,000.00 in respect of the financial year ending 30 April 2023 be hereby approved."

12. RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY (RESOLUTION 7)

Messrs Crowe Malaysia PLT who was retiring at the 24th AGM had given their consent for re-appointment. There was no other nomination 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 as Auditors of the Company 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”) (RESOLUTION 8)

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 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 the shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and 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 commence immediately upon the passing of this resolution and 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 (RESOLUTION 9)

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 number of issued shares of the Company;
- b. the maximum fund 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 by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions or the expiration of the period within which the next Annual General Meeting is required by law to be held or the authority is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting , 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. POLLING PROCESS

The Company Secretary invited Ms Sharifah, representative from Boardroom Share Registrars Sdn Bhd to explain the procedures of the poll. The poll commenced at 1.00 p.m.

With the proposal by the Board and seconded by Ms Lai Nyuk Moi, the Meeting was adjourned 20 minutes for poll counting.

16. ANNOUNCEMENT OF POLL RESULTS

At 1.20 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 Clause 119 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	%
Resolution 1	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 1 was carried.

Resolution 2

Re-election of Mr Kan Mun Hoow pursuant to Clause 119 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	%
Resolution 2	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 2 was carried.

Resolution 3

Re-election of Mr Clifton Heath Fernandez pursuant to Clause 119 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	%
Resolution 3	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 3 was carried.

Resolution 4

Re-election of Ms Lye Meei Ruu pursuant to Clause 119 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	%
Resolution 4	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 4 was carried.

Resolution 5

Re-election of Ms Chia Yee Yan pursuant to Clause 119 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	%
Resolution 5	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 5 was carried.

Resolution 6

Payment of Directors' Fee of RM108,000 for the financial year ending 30 April 2023

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

Resolution	For		Against	
	Number of shares	%	Number of shares	%
Resolution 6	1,387,304	99.9640	500	0.0360

The Directors who are also the shareholders of the Company have abstained from voting on this resolution.

As 1,387,304 shares representing 99.9640% of the total votes casted was in favour of the motion, Resolution 6 was carried.

Resolution 7

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

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

Resolution	For		Against	
	Number of shares	%	Number of shares	%
Resolution 7	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 7 was carried.

Resolution 8

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

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

Resolution	For		Against	
	Number of shares	%	Number of shares	%
Resolution 8	72,209,708	99.9018	71,000	0.0982

As 72,209,708 shares representing 99.9018% of the total votes casted was in favour of the motion, Resolution 8 was carried.

Resolution 9

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 9 as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
Resolution 9	72,280,708	100	0	0

As 72,280,708 shares representing 100% of the total votes casted was in favour of the motion, Resolution 9 was carried.

17. CLOSURE

There being no other business for which due notice had been given, the Meeting was declared closed at 1.30 p.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD BY

**- Signed -
CHAIRMAN**