



HO WAH GENTING BERHAD

199301018185 (272923-H)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY SEVENTH ANNUAL GENERAL MEETING HELD AT CONNEXION CONFERENCE & EVENT CENTRE @ THE VERTICAL, THE SUMMIT 1, (LEVEL M1), THE VERTICAL, BANGSAR SOUTH CITY, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR ON TUESDAY, 30 JUNE 2020 AT 09:30 A.M.

| | | |
|----------------------|---|---|
| Present | : Datuk William Teo Tiew | <i>-Executive Chairman</i> |
| | : Dato' Lim Ooi Hong | <i>-Managing Director/CEO</i> |
| | : Mr. Lim Wee Kiat | <i>-Executive Director</i> |
| | : Ms. Elaine Tan Ai Lin | <i>-Senior Independent Non-Executive Director</i> |
| | : Mr. Kenny Yeoh Khi Khen | <i>-Independent Non-Executive Director</i> |
| | : Mr. Bernard Lim Soon Chiang | <i>-Independent Non-Executive Director</i> |
| In attendance | : Ms. Coral Hong Kim Heong | <i>-Company Secretary</i> |
| By Invitation | : Symphony Share Registrars Sdn Bhd | <i>-Share Registrars and Poll Administrator</i> |
| | Malaysian Issuing House Sdn Bhd | <i>-Scrutineers</i> |
| | Russel Bedford LC & Co | <i>-Auditors</i> |
| Shareholders | : <i>10 members present in person and 5 members present by proxies.</i> | |

No. Items

AGM 27/1 PRELIMINARY

Datuk William Teo presided as Chairman of the Meeting and he extended a warm welcome to everyone present at the Meeting.

AGM 27/2 QUORUM

The requisite quorum being present in accordance with Article 16.1 of the Company's Constitution, the Chairman declared the Meeting duly convened.

AGM 27/3 NOTICE

The Notice convening the Meeting having been circulated with more than 21 days requirement to all shareholders and advertised in *New Straits Times* on 5 June 2020 within the prescribed period was taken as read.



No. *Items*
MEETING PROCEDURES

Prior to proceeding to the agenda of the meeting, the Chairman briefed shareholders on the procedures of the meeting including voting, Chairman's entitlement for casting vote and the rights of shareholders and proxies to vote and speak.

In addition, the Chairman informed that pursuant to requirement in Paragraph 8.29A of Bursa Malaysia Listing Requirements, voting was by Poll. The poll would be conducted electronically on Resolutions 1 to 6 as set out in the Notice of Meeting dated 5 June 2020, and would be taken after tabling all the agendas.

The shareholders were also informed that the Share Registrar of the Company was the Poll administrator to conduct the polling process and Messrs Malaysian Issuing House Sdn Bhd was appointed as Scrutineer to verify the vote cast and compilation of results.

AGM 27/4 AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2019 were duly audited by the Auditors and approved by the Board of Directors. This agenda was meant for discussion only and does not require shareholders' vote. The Chairman briefed the shareholders on the Group's business operations in the financial year ended 31 December 2019 as follows:

Financial Performance and Review of Operations

In the financial year ended 31 December 2019, the Group recorded higher revenue of RM180.97 million and loss before taxation of RM5.85 million compared to its preceding year's revenue of RM159.71 million and loss before taxation of RM0.78 million.

The higher revenue recorded for the financial year ended 31 December 2019 was mainly due to higher sales of USD42.38 million compared to USD38.43 million contributed by the Moulded Power Supply Cord Sets Division in Indonesia due to higher demand from the existing and new customers. The weakening of RM against the USD had also increased the Group's revenue which is denominated in RM.

The higher loss before taxation of RM5.82 million (2018: RM0.78 million) recorded for the financial year ended 31 December 2019 was mainly due to lower profit before taxation of RM6.21 million (2018: RM7.51 million) generated from the Moulded Power Supply Cord Sets Division, higher loss before taxation of RM13.04 million (2018: RM9.05 million) in the Investment Division. Included in the loss before taxation of Investment Division is an allowance for expected credit loss of RM4 million on the advances to an associate company.



No. Items

The Group's core business, the manufacturing of wires and cables and moulded power supply cord sets and cable assemblies for electrical and electronics devices and equipment, contributing approximately 97.1% of the Group's total revenue for the financial year ended 31 December 2019, with the US, being the biggest market contributing approximately 78.3% of the Group's total revenue.

The Board is of the opinion that business operations in Moulded Power Supply Cord Sets Division remain challenging in view of the intense competition in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high volatility of copper price and high working capital requirement. Also, the prolong trade war between US and China may have caused uncertainties in the global market which may affect the demands and our Group's revenue as well.

The outbreak of COVID-19 pandemic has caused global concern in increasing economic hardship for consumers and businesses, create uncertainties in the market and dampen the global economic outlook.

To counter these unfavourable conditions, the Moulded Power Supply Cord Sets Division will continue to focus on lean manufacturing process for better operational productivity, improve efficiencies, and better product quality in order to be more competitive and attract more customers.

Following the implementation of the Movement Control Order ("MCO") imposed by the Malaysian Government from 18 March 2020 onwards to curb the spread of COVID-19 pandemic, our Group's 49% owned travel retail business, Dufry HWG Shopping Sdn Bhd ("Dufry HWG"), which operate a sole travel retail outlet in Sky Avenue Mall, Genting Highlands resort had closed its business operation since then and re-opened on 28 May 2020.

The outbreak of COVID-19 pandemic had put the travel retail business and also the Travel Services Division in a challenging year as most of the travelers and tourists are reluctant to travel or being barred from travelling during this period.

The Group is expecting a challenging operating and financial performance for the financial year ending 31 December 2020.

It has been the Group's plan to venture into other businesses with positive earnings outlook to diversify its revenue streams and reduce its dependence on the Manufacturing Segment, in a way to create a sustainable value to its shareholders.

On 25 March 2020, the Board announced to undertake a proposed diversification of its business into the healthcare related industry which includes health supplement, biotechnology and healthcare technology sub-segments.



No. Items

The Board anticipates that this new business to be one of the key contributors of the Group's future earning and recommends that you vote in favour of the resolution in the Extraordinary General Meeting to be convened immediately after conclusion of this AGM.

The Chairman invited questions from the floor and there was no question raised by shareholders present.

As there was no question raised, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon be and were hereby received.

AGM 27/5 DIRECTORS' FEES AND MEETING ALLOWANCE (2020) – Resolution 1

Resolution 1 was to approve the payment of Directors' fees of RM30,000 per annum and meeting allowance of RM500 per day per non-executive director for the financial year ending 31 December 2020. The resolution was duly proposed and seconded by shareholders/proxies from the floor. No question was raised by the shareholders.

AGM 27/6 RE-ELECTION OF DIRECTOR - Resolution 2 – Re-election of Mr. Lim Wee Kiat

The directors to retire by rotation pursuant to Article 18.4 of the Company's Constitution were Datuk William Teo Tiew and Mr. Lim Wee Kiat.

Datuk William Teo Tiew had informed the Company that he would not be seeking re-election and accordingly Datuk William Teo Tiew would retire at the conclusion of the 27th AGM of the Company.

Whilst Mr. Lim Wee Kiat being eligible for re-election, had offered himself to be re-elected to the Board. The resolution was duly proposed and seconded by shareholders/proxies from the floor. No question was raised by the shareholders.



No. Items

AGM 27/7 RE-ELECTION OF DIRECTOR - Resolution 3 – Re-election of Mr. Bernard Lim Soon Chiang

Mr. Bernard Lim Soon Chiang was retiring pursuant to Article 18.2 of the Company's Constitution and being eligible for re-election, had offered himself to be re-elected to the Board. The resolution was duly proposed and seconded by shareholders/proxies from the floor. No question was raised by the shareholders.

AGM 27/8 RE-APPOINTMENT OF AUDITORS - Resolution 4

Resolution 4 was to re-appoint the retiring auditors, Messrs Russell Bedford LC & Company who had indicated their willingness to continue in office. The resolution was duly proposed and seconded by shareholders/proxies from the floor. No question was raised by the shareholders.

AGM 27/9 ORDINARY RESOLUTION – Resolution 5

- **Authority To Allot Shares Pursuant To Sections 75 and 76 Of The Companies Act, 2016 (“The Act”)**

Resolution 5 was to approve an Ordinary Resolution to authorize the Directors to issue new shares pursuant to Sections 75 and 76 of the Companies Act, 2016. This authority, unless revoked or varied at a general meeting, would expire at the next Annual General Meeting of the Company. The resolution was duly proposed and seconded by shareholders/proxies from the floor. No question was raised by the shareholders.

AGM 27/10 ORDINARY RESOLUTION – Resolution 6

- **Proposed Renewal of Shareholders’ Mandate for The Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature**

Resolution 6 was to obtain mandate from the shareholders for the Company and its subsidiaries to enter into recurrent related party transaction in the normal course of business of the Group with specified related parties which are transacted from time to time, provided that the transaction is carried out on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and is not detrimental to the minority shareholders of the Company. A circular on the aforesaid recurrent related party transactions was sent to shareholders on 5 June 2020.

Details of the estimated transactions are in page 4 of the said Circular to shareholders dated 5 June 2020. The Chairman invited questions from the floor, but there were no questions raised by the shareholders. The resolution was duly proposed and seconded by shareholders/proxies from the floor.



No. Items
COMMENCEMENT OF POLLING

The Chairman then explained to the shareholders the procedures for the electronic polling process and the polling began with Scrutineers present monitoring the process.

Upon completion of the voting, the Share Registrar and the Scrutineers proceeded with the counting and verification of votes casted.

ANNOUNCEMENT OF POLLING RESULTS

At 10:08 a.m. the Chairman called the Meeting to order for declaration of the poll results. The results verified by the Scrutineers was announced by the Chairman as follows:

| No. | FOR | | AGAINST | | TOTAL | | ABSTAIN | Results |
|------------|---------------|-----|----------------|---|---------------|-----|----------------|----------------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | |
| 1 | 260,415,280 | 100 | 0 | 0 | 260,415,280 | 100 | 0 | Carried |
| 2 | 260,415,280 | 100 | 0 | 0 | 260,415,280 | 100 | 0 | Carried |
| 3 | 260,415,280 | 100 | 0 | 0 | 260,415,280 | 100 | 0 | Carried |
| 4 | 260,415,280 | 100 | 0 | 0 | 260,415,280 | 100 | 0 | Carried |
| 5 | 260,415,280 | 100 | 0 | 0 | 260,415,280 | 100 | 0 | Carried |
| 6 | 1,934,575 | 100 | 0 | 0 | 1,934,575 | 100 | 0 | Carried |

A copy of the above results was displayed on the screen in the meeting room.

Based on the poll results verified by the Scrutineers, the Chairman declared that Resolutions number 1 to 6 were carried.

AGM 27/11 TERMINATION

There being no further business, the meeting terminated at 10:10 a.m. with a vote of thanks to the Chair.