

KYM HOLDINGS BHD (84303-A)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE THIRTY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE COMPANY'S OFFICE AT NO. 12 LORONG MEDAN TUANKU SATU 50300 KUALA LUMPUR ON WEDNESDAY, 5 JULY 2017 AT 11.00 A.M.

Present:	<u>Directors</u> Dato' Seri Dr. Isahak bin Yeop Mohamad Shar (Chairman) Dato' Seri Ir. Mohamad Othman bin Zainal Azim Dato' Lim Kheng Yew Datuk Wira Rahadian Mahmud bin Mohammad Khalil Dato' Mohd Azmi bin Othman Mr Lim Tze Thean Mr Lee Ji Jin Darren
	<u>Shareholders and Proxies</u> As per Attendance List
By Invitation:	As per Attendance List
In Attendance:	Ms Chee Min Er – Company Secretary
Chairman:	Dato' Seri Dr. Isahak bin Yeop Mohamad Shar

1. RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2017

The Chairman invited questions from the floor on the audited financial statements for year ended 31 January 2017.

Mr William Ng, a proxy holder congratulated the Company for achieving better results for financial year ended (FYE) 2017 as compared to FYE 2016 and raised the following questions:

- (a) Source of funding the capacity expansion given the existing funds as shown in the Balance Sheet is not sufficient;
- (b) Expected revenue growth from the capacity expansion;
- (c) Competition from the peers, Century Bond Berhad after the take-over by Kumpulan Peransang Selangor; and
- (d) Future Dividend Policy - the shareholders are looking forward to receiving dividend from KYM.

Mr Lim Tze Thean, the Executive Director/Chief Executive Officer was invited to reply the questions as follows:

- (a) The investment in the machinery will be funded via a combination of internally generated funds and bank borrowing.
- (b) The capacity expansion is in line with the Company's direction to continue to expand its Industrial Bags Division which will increase sales and profitability.
- (c) KYM's focus is on the export market. Early of this year, KYM had via its subsidiary, Hasrat Meranti Sdn Bhd signed an agreement with BillerudKorsnas for the contract manufacture, sale and distribution of industrial sacks in South East Asia.

This new investment will increase the Company's current annual capacity by a further 50% to 230 million paper sacks per annum. The new production line is specifically catered to the needs of Asia's cement market. He believes that the Company will not be impacted by the other acquisition exercise.

- (d) The Company's current focus is to improve business quality. The Company shall re-invest the earnings to grow its business organically or inorganically. The Company will consider to distribute excess profits once we have stable earnings.

As there were no further questions from the floor, the Chairman moved on to next item on the Agenda.

2. RESOLUTION 1 – APPROVAL OF DIRECTORS' FEES FOR FINANCIAL YEAR ENDED 31 JANUARY 2017

The Chairman informed that the next item was to approve the payment of Directors' Fees of RM104,400 for financial year ended 31 January 2017 and the payment of Directors' Benefits (excluding Directors' Fee) to Non-Executive Director of up to an amount of RM28,700 from 1 February 2017 until the next AGM of the Company.

The resolution was proposed by Ms Loi Kwai Lan and seconded by Ms Lim Mei Shuang.

3. RE-ELECTION OF THE FOLLOWING DIRECTORS:

- (I) DATO' SERI DR. ISAHAK BIN YEOP MOHAMAD SHAR WHO RETIRED PURSUANT TO ARTICLE 103 OF THE COMPANY'S CONSTITUTION**
- (II) DATUK WIRA RAHADIAN MAHMUD BIN MOHAMMAD KHALIL WHO RETIRED IN ACCORDANCE WITH ARTICLE 103 OF THE COMPANY'S CONSTITUTION**
- (III) MR LIM TZE THEAN WHO RETIRED IN ACCORDANCE WITH ARTICLE 94 OF THE COMPANY'S CONSTITUTIONS**

The Resolution 2 in respect of re-election of Dato' Seri Dr. Isahak bin Yeop Mahamad Shar was proposed by Puan Wan Mastura Wan Din and seconded by Encik Ahmad bin Ibrahim.

The Resolution 3 in respect of re-election of Datuk Wira Rahadian Mahmud bin Mohammad Khalil was proposed by Ms Lim Mei Shuang and seconded by Mr Godwin Marcos.

The Resolution 4 in respect of re-election of Mr Lim Tze Thean was proposed by Mr Tan Peng Aun and seconded by Ms Loi Kwai Lan.

4. RESOLUTION 5 - RE-APPOINTMENT OF CROWE HORWATH AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that Crowe Horwath had expressed their willingness to continue as Auditors of the Company.

The resolution was proposed by Mr Arivazhagan and seconded by Mr Looi Cheong Weng.

5. SPECIAL BUSINESS

RESOLUTION 6 - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The resolution was proposed by Puan Wan Mastura Wan Din and seconded by Puan Nur Shalsabila Tan binti Abdullah.

6. RESOLUTION 7 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman announced that the Interested Director, Dato' Lim Kheng Yew and Mr Lim Tze Thean had abstained from voting on Resolution 7. The interested Director and the Interested Major Shareholders as stated in the Circular to Shareholders dated 30 May 2017 had undertaken that persons connected with them would abstain from voting on Resolution 7.

The resolution was proposed by Ms Loi Kwai Lan and seconded by Ms Lim Mei Shuang.

7. RETENTION OF THE FOLLOWING DIRECTOORS AS INDEPENDENT NON-EXECUTIVE DIRECTOOR

- (I) DATUK WIRA RAHADIAN MAHMUD BIN MOHAMMAD KHALIL**
- (II) DATO' SERI IR. MOHAMAD OTHMAN BIN ZAINAL AZIM**
- (III) DATO' MOHD AZMI BIN OTHMAN**

Resolution 8 in respect of the retention of Datuk Wira Rahadian Mahmud bin Mohammad Khalil was proposed by Madam Nur Shalsabila Tan binti Abdullah and seconded by Madam Wan Mastura Wan Din.

Resolution 9 in respect of the retention of Dato' Seri Ir. Mohamad Othman bin Zainal Azim was proposed by Ms Loi Kwai Lan and seconded by Ms Lim Mei Shuang.

Resolution 10 in respect of the retention of Dato' Mohd Azmi bin Othman was proposed by Mr Godwin Marcos and seconded by Puan Nur Shalsabila Tan binti Abdullah.

8. OTHER BUSINESS

The meeting noted that no notice was received to transact other ordinary business.

9. POLLING PROCESS

The Company Secretary was invited to explain to the floor on the procedure of manual polling process. The shareholders and proxy holders proceeded to cast their votes.

The results of the polls were verified by the independent scrutineer, Mega Corporate Services Sdn Bhd.

10. ANNOUNCEMENT OF POLL RESULTS

The Chairman announced the results of the poll voting as follows:

Resolution	Voted in FOR/Favour		Voted Against		Results
	No. of		No. of		
	Share(s)	%	Share(s)	%	
RESOLUTION 1	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 2	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 3	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 4	46,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 5	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 6	49,228,352	100.0000%	90	0.0002%	Carried
RESOLUTION 7	3,047,942	100.0000%	-	0.0000%	Carried
RESOLUTION 8	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 9	49,228,442	100.0000%	-	0.0000%	Carried
RESOLUTION 10	49,228,442	100.0000%	-	0.0000%	Carried

Based on the results of the poll voting, the Chairman declared the following resolutions be **CARRIED**.

RESOLUTION 1

“That the payment of Directors’ Fees of RM104,000 for financial year ended 31 January 2017 and the payment of Directors’ benefits (excluding Directors’ Fee) to Non-Executive Director of up to an amount of RM28,700 from 1 February 2017 until the next AGM of the Company be and is hereby approved.”

RESOLUTION 2

“That the retiring Director, Dato’ Seri Dr. Isahak bin Yeop Mohamad Shar, being eligible for re-election, be re-elected as a Director of the Company.”

RESOLUTION 3

“That the retiring Director, Datuk Wira Rahadian Mahmud bin Mohammad Khalil, being eligible for re-election, be re-elected as a Director of the Company.”

RESOLUTION 4

“That the retiring Director, Mr Lim Tze Thean, being eligible for re-election, be re-elected as a Director of the Company.”

RESOLUTION 5

“That Messrs Crowe Horwath be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.”

RESOLUTION 6

Authority To Allot And Issue Shares Pursuant To Sections 75 And 76 Of The Companies Act, 2016

“That pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time at such price and upon

such terms and conditions and for such purposes and to such person or persons whomever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being 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 also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

RESOLUTION 7

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"That, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as approved by the shareholders of the Company on 29 June 2016 authorising the Company and its subsidiaries ("KYM Group") to enter into any of the recurrent transactions of a revenue or trading nature of the Group as set out in Section 2.2 of the Circular to Shareholders dated 30 May 2017 with the related party mentioned therein which are necessary for the day-to-day operations of the KYM Group be and is hereby renewed provided that the transaction are in the ordinary course of business, at arms' length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

And that such approval conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(1) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier,

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

RESOLUTION 8

RETENTION OF DATUK WIRA RAHADIAN MAHMUD BIN MOHAMMAD KHALIL AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That approval be and is hereby given to retain Datuk Wira Rahadian Mahmud bin Mohammad Khalil who has served as Independent Non-Executive Director of the Company for more than 9 years in accordance with Malaysian Code on Corporate Governance 2012."

RESOLUTION 9

RETENTION OF DATO' SERI IR. MOHAMAD OTHMAN BIN ZAINAL AZIM AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That approval be and is hereby given to retain Dato' Seri Ir Mohamad Othman bin Zainal Azim who has served as Independent Non-Executive Director of the Company for more than 9 years in accordance with Malaysian Code on Corporate Governance 2012."

RESOLUTION 10 - RETENTION OF DATO' MOHD AZMI BIN OTHMAN AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That approval be and is hereby given to Dato' Mohd Azmi bin Othman who has served as Independent Non-Executive Director of the Company for more than 9 years in accordance with Malaysian Code on Corporate Governance 2012."

TERMINATION

The Chairman thanked all present for their attendance and declared the meeting closed at 11.45 a.m.