

ASDION BERHAD
(Registration No. 200201023149 (590812-D))
(Incorporated in Malaysia)

**MINUTES OF THE NINETEENTH (“19TH”) ANNUAL GENERAL MEETING OF
THE COMPANY HELD AT FUNCTION ROOMS, LEVEL M3, VE HOTEL &
RESIDENCE, BANGSAR SOUTH CITY, NO. 8, JALAN KERINCHI 59200 KUALA
LUMPUR ON THURSDAY, 24 MARCH 2022 AT 10.00 A.M**

SUMMARY OF PROCEEDINGS AND KEY MATTERS DISCUSSED

ATTENDANCE OF DIRECTORS

| | |
|-----------------------------------|--------------------------------------|
| Dato’ Jagjit Singh A/L Bant Singh | - Independent Non-Executive Chairman |
| Encik Razmi bin Alias | - Executive Director |
| Dato’ Badrul Sham Bin Ibrahim | - Independent Non-Executive Director |
| Encik Jamel Bin Ibrahim | - Independent Non-Executive Director |
| Ms. Karmjit Kaur A/P Sarban Singh | - Independent Non-Executive Director |

IN ATTENDANCE

Shareholders, Proxies and Corporate Representative
As per Attendance List

Ms. Wong Youn Kim - Company Secretary

BY INVITATION

Mr. Chen Voon Hann - Messrs. CAS Malaysia PLT
Mr. Kong Chin Lam - Group Financial Controller

1. CHAIRMAN

The Chairman, Dato’ Jagjit Singh A/L Bant Singh took the Chair and welcomed all present to the Meeting and then introduced the Members of the Board to the Members present.

2. QUORUM

The requisite quorum being present pursuant to Clause 70 of the Company’s Constitution, the Chairman declared the Meeting duly convened.

3. NOTICE OF MEETING

The Chairman addressed the meeting and declared the meeting duly convened as the Notice of the Annual General Meeting (“AGM”) dated 29 January 2021 had been circulated to all members of the Company and advertised in Newspaper in accordance with the Company’s Constitution.

Before proceeding with the Agenda of the AGM, the Company Secretary, was called upon to explain the proceedings of the meeting and voting procedures to the shareholders.

The businesses to be transacted in the AGM involved the moving and passing of Seven (7) proposed Ordinary Resolutions which require a vote by a simple majority of the members or their proxies present to approve the proposed Ordinary Resolutions.

Each of the motion would require one proposer and a seconder before putting to the floor to vote; and that pursuant to the Listing Requirements of Bursa Malaysia, any resolution set out in the notice of any general meeting or notice of resolution must be voted by way of poll.

4. PRESENTATION ON ISSUES RAISED FROM MINORITY SHAREHOLDERS WATCH GROUP

Before proceeding with the first item of the Agenda, Encik Razmi Bin Alias, the Executive Director presented to the shareholders the issues raised by the Minority Shareholders Watch Group (MSWG) stated under a letter dated 14 March 2022 and the clarification from the Company as follows:-

Operational & Financial Matters

1. For the financial year ended 30 September 2021, the Group recorded a consolidated revenue of RM4.33million (2020: RM3.79 million) and a loss after taxation and non-controlling interest (“LATNCI”) of RM2.21 million (2020: LATNCI of RM4.02 million). The increase in revenue was mainly due to increase in the global shipping and logistics services prices in the third quarter of the year 2021. (page 11 of AR2021)

With the significant increase in crude oil prices and the on-going Russian-Ukraine war, how and to what extent will it impact the Group?

Answer: The increase in crude oil price and the on-going Russian-Ukraine war has caused a drastic disruption to the global supply chain and a significant short term impact to the Group of Companies. As a result, the events have negative effect on domestic inflationary pressures, particularly transport inflationary costs. The Group is taking cost management strategy to control the transport prices with a view of attaining the Group’s profit margin. In long run, the shortage of materials worldwide still need to be fulfilled even with the higher transport charges.

What will drive revenue growth, going forward and bring the Group back to profitability?

Answer: The Group is taking necessary actions and focusing on existing logistic business and specifically the commencement of Tumpat Support Base operations, which is expected to commence business operations in the second quarter of 2022. The business segment of regional cargo transport is expected to contribute positively into sales and profit margin, since land transport is equally costly in parallel to sea transport. Overall sea transport

still be the choice for the global logistic business.

2. In year 2021, the group achieved the first stage development on the infrastructure of the Tumpat Project, and is expected to start jetty operation in the year 2022. (page 10 of AR2021)

What is the status of the Tumpat Project? Has the jetty operation started?

Answer: The Management of The Group is monitoring closely on the timeframe of the development and progress of the project. The Tumpat Project construction works under the Phase 1 development was disrupted by the MCO and Covid pandemic. To date, the construction works are progressing at an advanced stage and barring unforeseen circumstances, the Jetty operation is expected to commence business in the second quarter of this year 2022.

3. The amount due to directors increased to RM3.44 million (2020: RM0.16 million) (page 59 AR2021)

What is the reason for the significant increase in amounts due to directors? Who are the directors involved?

Answer: The increase of amount due to director mainly attributed by the development costs incurred for the Tumpat Project and Encik Razmi as the Director involved.

4. Other investments in quoted shares outside Malaysia of RM31, 525 (2020: Nil) was written off (Note 11, page 120 of AR2021), while accumulated impairment losses on other investment in redeemable convertible preference shares ("RCPS") increased significantly to RM1.09 million (2020: RM0.39 million) (note 1, page 121 of AR2021).

What were the quoted shares outside Malaysia that the Group wrote off?

Answer: The quoted shares outside Malaysia derived from our associate-Maxillion Link Enterprise Limited. The written off of the quoted shares is based on the fair value of the company which cannot support the initial Group's investment cost to the company.

Given the huge amount of accumulated impairment losses on other investment in RCPS, please explain what when wrong with Company's investment strategy?

Answer: Due the challenges of the uncertain global economic outlook and uncertainties market conditions impacted by the Covid-19 pandemic, The Group is adopting the fair value approach as the Group has to record any potential losses caused by the investment in RCPS.

5. Investment in a joint venture project that has been written off amounted to RM6 million (2020: nil) (Note 12, page 122 of AR2021)

What were the measures taken to recover the RM6 million prior to them to being written off?

Answer: The written off of the investment cost was carried out due to the assessment made that the future cash flows relating to the Joint Venture project made in

February 2015, are not recoverable.

6. Sales to related party amounted to RM3.76 million (2020: RM3.19 million) (Note 37, page 149 of AR2021). Revenue contribution from the Group's major customer, Customer A is equivalent to RM3.76 million (Note 39(c), page 156 of AR2021). Allowance for impairment losses on trade receivables amounted to RM2.53 million (2020: RM2.69 million) (Note 15, page- 127 of AR2021)

How much of the allowance for impairment losses on trade receivables are due from related party and/or major customer?

Answer: There is no impairment losses on related party as there is subsequent collection from the related party and having a good payment record in the past. The impairment losses on trade receivables mainly contributed by long outstanding debts by one of the major customer.

How long have the allowance for impairment losses on trade receivables been overdue and what is the probability of recovery?

Answer: The allowance for impairment losses calculated based on the standard of accounting as "Expected Credit Loss" on the trade receivables. The Management is using the approach of ranking the trade receivables by taking into consideration the customer payment records, business model, subsequent collections and also the pandemic effects.

Given that 86.8% of the Group's total revenue of RM4.33 million is derived from sales to related party and/or major customer, the high customer concentration ratio creates concentration risk. What does the Company plan to do to reduce the dependency on Customer A and to expand customer base?

Answer: The Group will continue to explore other business opportunities and the upcoming potential business expansion in the Tumpat Support Base Project will create diversified customer base to the Group.

Corporate Governance Matters

7. En. Rami Bin Alias, the Executive Director's lump-sum other emoluments was RM275,400 (page 25 of AR2021). The remuneration disclosure for En. Razmi Bin Alias is not in line with the disclosure requirement under paragraph 12 in Part A of Appendix 9(c) (Contents of Annual Report) of the Bursa Malaysia's ACE Market Listing Requirements. The detailed remuneration breakdown should include fees, salary, bonus, benefit in-kind and other emoluments.

What compromise this emoluments?

Answer: The emoluments figure refers only to the annual salary amount received by En. Razmi Alias as the Executive Director of the Group. The remuneration package of En. Razmi Alias as Executive Director includes bonus entitlement, benefit-in-kind and other emoluments. However, En. Razmi Alias has not made the claims and no payments made for such emoluments during the financial year 2021. Therefore, no detailed remuneration breakdown is reflected.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements for the financial year ended 30 September 2021 together with the Directors' and Auditors' Reports thereon as attached in the 2021 Annual Report which had been previously circulated, were tabled for discussion.

QUESTIONS AND ANSWERS SESSION

The Chairman invited questions pertaining to the financial statements from the floor.

Ms. Lim Cian Yai, the representative of MSWG enquired on the how to carry out the operation in a loss making position.

Answer:

The current position cashflow of the Company is tight but managing by pushing the completion of Tumpat Project and expecting commencement in second quarter 2022 to generate revenue and improve the cashflows. At the same time Director and Major Shareholder advancing to the operation. The Company also was done corporate exercise last year to clean up the debts of debts settlement scheme and capital reduction exercise.

Since there were no further questions, the Chairman declared that the Audited Financial Statements for the financial year ended 30 September 2021 together with the Reports of the Directors and Auditors thereon were duly received by the shareholders of the Company.

6. ORDINARY RESOLUTION NO. 1

- **PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE OF UP TO RM390,000/- FOR THE DIRECTORS OF THE COMPANY FROM 25 MARCH 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2023**
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Ordinary Resolution 1 of the Agenda was to approve the Directors' Fees and Benefit Payable of up to RM390,000/- for the Directors of the Company from 25 March 2022 until the next annual general meeting of the company to be held in 2023.

On the proposal of Ms. Noor Farhanah Binti Mohd Nazri and seconded duly by Mr. Liau Boon Seong, the Chairman put the following motion to vote.

7. ORDINARY RESOLUTION NO. 2

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 2 of the Agenda was to re-elect Dato' Badrul Sham Bin Ibrahim, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 97.1 of the Company's Constitution.

On the proposal of Ms. Nur Saadah Binti Hashim and seconded duly by Mr. Lim Wei Mun, the Chairman put the following motion to vote.

8. ORDINARY RESOLUTION NO. 3

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 3 of the Agenda was to re-elect Encik Jamel Bin Ibrahim, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 104 of the Company's Constitution.

On the proposal of Mr. Yeoh Seng Tee and seconded duly by Ms. Noor Farhanah Binti Mohd Nazri, the Chairman put the following motion to vote.

9. ORDINARY RESOLUTION NO. 4

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 4 of the Agenda was to re-elect Ms. Karmjit Kaur A/P Sarban, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 104 of the Company's Constitution.

On the proposal of Ms. Nur Saadah Binti Hashim and seconded duly by Ms. Noor Farhanah Binti Mohd Nazri, the Chairman put the following motion to vote.

10. ORDINARY RESOLUTION NO. 5

- **RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 5 of the Agenda was to re-appoint Messrs. CAS Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration was tabled before the meeting.

The Chairman informed the floor that Messrs. CAS Malaysia PLT have indicated their willingness to continue office as Auditors of the Company for the financial year ending 30 September 2022.

On the proposal of Ms. Nur Saadah Binti Hashim and seconded duly by Ms. Noor Farhanah Binti Mohd Nazri, the Chairman put the following motion to vote.

11. ORDINARY RESOLUTION NO. 6

- **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Chairman informed the meeting that the next item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution authorising the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 as set out in the notice.

The Chairman informed the floor that this is the renewal of the mandate obtained from the Company's shareholders at the last AGM held on 24 March 2022.

On the proposal of Mr. Yeoh Seng Tee and duly seconded by Ms. Noor Farhanah Binti Mohd Nazri, the Chairman put the following motion to vote.

12. ORDINARY RESOLUTION NO. 7

- **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE**

Ordinary Resolution 7 of the Agenda, was to consider Proposed Shareholders' Mandate for Recurrent Related Party Transaction. They were recurring transactions of a revenue and trading nature which are necessary for Group's day-to-day operations and were in the ordinary course of business of the Group and made on an arm's length basis and on normal commercial terms and which were not prejudicial to the interest of the shareholders.

The full text of the resolution was set out in the Notice of Meeting and the details of the proposal had been clearly set out in the Circular to Shareholders dated 31 January 2022.

Being the interested parties in this resolution Eastbay Harvest Sdn Bhd, Mr. Ang Chin Poo and Yeoh Seng Tee the substantial shareholder of the Company shall abstain from deliberating, approving and voting on the proposed resolution.

13. ANY OTHER BUSINESS

The Company Secretary confirmed that the Company had not received any notice to transact any other business at the Meeting.

14. BRIEFING BY COMPANY SECRETARY ON POLLING

The Company Secretary, was called upon to briefed on the polling procedures to the shareholders.

ASDION BERHAD

(Registration No. 200201023149 (590812-D))

Minutes of the Nineteenth Annual General Meeting held on 24 March 2022 (Cont'd)

15. ADJOURNED OF MEETING FOR POLL VOTING

The meeting was adjourned at 10.45 a.m. for the poll voting to commence immediately.

16. RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS

The meeting re-convened at 11.15 a.m. for the announcement of the results of the poll voting by the Chairman as follows:-

| Agenda | For | | Against | | Abstained | Results |
|---|---------------|----------|---------------|---|-----------|---------|
| | No. of Shares | % | No. of Shares | % | | |
| Ordinary Resolution 1 To approve the Directors' fees and benefit payable of up to RM390,000/- to the Directors of the Company from 25 March 2022 until the next Annual General Meeting of the Company to be held in 2023. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |
| Ordinary Resolution 2 To re-elect Dato' Badrul Sham Bin Ibrahim who is retiring by rotation pursuant to Clause 97.1 of the Company's Constitution. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |

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(Registration No. 200201023149 (590812-D))

Minutes of the Nineteenth Annual General Meeting held on 24 March 2022 (Cont'd)

| Agenda | For | | Against | | Abstained | Results |
|--|---------------|----------|---------------|---|-----------|---------|
| | No. of Shares | % | No. of Shares | % | | |
| Ordinary Resolution 3 To re-elect Jamel Bin Ibrahim who is retiring by rotation pursuant to Clause 104 of the Company's Constitution. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |
| Ordinary Resolution 4 To re-elect Karmjit Kaur A/P Sarban Singh who is retiring by rotation pursuant to Clause 104 of the Company's Constitution. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |
| Ordinary Resolution 5 To re-appoint Messrs. CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |
| Ordinary Resolution 6 To authority to Issue Share Pursuant to Sections 75 and 76 of the Company Act, 2016. | 109,820,810 | 100.0000 | 0 | 0 | 0 | Carried |

ASDION BERHAD

(Registration No. 200201023149 (590812-D))

Minutes of the Nineteenth Annual General Meeting held on 24 March 2022 (Cont'd)

| Agenda | For | | Against | | Abstained | Results |
|---|---------------|----------|---------------|---|-----------|---------|
| | No. of Shares | % | No. of Shares | % | | |
| Ordinary Resolution 7 To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature | 102,497,010 | 100.0000 | 0 | 0 | 7,323,800 | Carried |

The Chairman declared that all the Seven (7) Ordinary Resolutions as set out in the Notice were duly carried.

ORDINARY RESOLUTION 1**PAYMENT OF DIRECTORS' FEES AND BENEFITS FOR THE PERIOD FROM 25 MARCH 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING TO BE HELD IN 2023**

RESOLVED THAT the Directors' fees and benefit payable of up to RM390,000/- to the Directors of the Company from 25 March 2022 until the next Annual General Meeting of the Company to be held in 2023 be and is hereby approved.

ORDINARY RESOLUTION 2**RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

RESOLVED THAT Dato' Badrul Sham Bin Ibrahim who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 3**RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

RESOLVED THAT Encik Jamel Bin Ibrahim who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4

RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION

RESOLVED THAT Ms. Karmjit Kaur A/P Sarban Singh who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5

RE-APPOINTMENT OF AUDITORS

RESOLVED THAT Messrs. CAS Malaysia PLT, the retiring Auditors having given their consent for re-appointment, be and were hereby re-appointed as Auditors of the Company at a fee to be agreed upon by the Directors.

ORDINARY RESOLUTION 6

AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

RESOLVED:-

THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Companies Act, 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares for the time being of the Company 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."

ORDINARY RESOLUTION 7

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

"THAT subject to the provision of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Asdion Berhad to enter into and to give effect to the specified Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set out in Section 2.8 of the Circular to Shareholders dated 31 January 2022 which are necessary for its day-to-day operations, to be entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT then Proposed Shareholders' Mandate is subject to annual renewal, **AND THAT** any authority conferred by the Proposed Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the General Meeting, the authority is renewed; or
 - (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,
- whichever is earliest;

AND FURTHER THAT the Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

17. TERMINATION OF MEETING

There being no other business, the meeting ended at 11.45 a.m. with a vote of thanks to the chair.