

ANZO HOLDINGS BERHAD

(Company No. 36998-T)
(Incorporated in Malaysia)

MINUTES OF THE FORTIETH (40TH) ANNUAL GENERAL MEETING OF ANZO HOLDINGS BERHAD (“ANZO” OR “THE COMPANY”) HELD AT INSPIRE I & II, FOOD TREE CAFÉ (UNDER ONLY WORLD GROUP), NO. 10, JALAN PELUKIS U1/46, KAWASAN PERINDUSTRIAN TEMASYA, SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 27 NOVEMBER 2018 AT 9.00 A.M.

Present:

Directors

1. Dato’ Seri Abdul Azim bin Mohd Zabidi (Independent Non-Executive Chairman)
2. Datuk Chai Woon Chet (Managing Director)
3. Aimi Aizal bin Nasharuddin (Independent Non-Executive Director)
4. Chong Khing Chung (Independent Non-Executive Director)
5. Tan Lay Chee (Independent Non-Executive Director)

Absent with Apology:-

1. Dato’ Sri Ti Lian Ker (Senior Independent Non-Executive Director)

Company Secretary

1. Mr Tan Tong Lang

Auditor

1. Datuk Mohd Afrizan Husain, representative of Messrs Afrizan Tarmili Khairul Azhar (Auditor)
2. Zaidaniah Hamzah
3. Nurul’ Afiah Mohd Yusoff

Shareholders/ Proxies

As per the Annexure I

1.0 CHAIRMAN

- 1.1 Dato’ Seri Abdul Azim bin Mohd Zabidi (“the Chairman”) presided the meeting and welcomed the shareholders and proxy holders (“the Shareholders” or “the Floor”) to the Fortieth Annual General Meeting (“40th AGM”) of the Company.

2.0 QUORUM

- 2.1 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 9.00 a.m.

3.0 PRELIMINARY

- 3.1 The Chairman introduced the Directors and Company Secretary present, and drew attention to some housekeeping matters and poll voting, which would be conducted after completion of deliberations of all agenda items for the seven (7) ordinary resolutions and one (1) special resolution in accordance with Paragraph 8.29A of the Listing Requirements.

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3.2 The Chairman informed the Floor that Shareworks Sdn. Bhd. (“Share Registrar”) had been appointed as Poll Administrator to conduct the polling process and Sharepolls Sdn. Bhd. (“Scrutineers”) was appointed as Scrutineers to verify the poll results. With the consent of the Floor, it was agreed that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 40th AGM.

4.0 NOTICE

4.1 With the consent of the meeting, the notice convening the 40th AGM having been circulated within the prescribed period was taken as read.

5.0 AUDITED FINANCIAL STATEMENTS AND REPORTS

5.1 The Annual Report and Audited Financial Statements of the Company and of the Group for the financial year ended 31 July 2018, together with the Reports of the Directors and Auditors thereon (“Audited Financial Statements”) were tabled to the Shareholders for discussion.

5.2 The Chairman informed the meeting that the Audited Financial Statements of the Company was meant for discussion only as Section 340(1) of the Companies Act, 2016 provides that the Audited Financial Statements were to be laid in the general meeting. In relation thereto, the Audited Financial Statements of the Company would not be put forward for voting.

5.3 The Chairman informed that the Company has received a letter from the Minority Shareholders Watch Group (“MSWG”) dated 21 November 2018. He read out the questions listed in the MSWG’s letter and the Company’s responses thereto for the meeting’s information. Copies of the letter from MSWG and the Company’s reply to MSWG were attached as Annexures II and III respectively.

5.4 Thereafter, the Chairman welcomed questions on the Audited Financial Statements from the Floor.

5.5 Mr Muniandy A/L Karishnan (“Mr Muniandy”), a shareholder, expressed his disappointment over the performance of the Company’s shares and enquired on the business development of the Company as to-date and its future plans.

5.6 The Chairman replied that when the new Board took over, the entire Anzo Group was a mess. The objective of the current Board at the material time was to clean up and revive the core business of Anzo, which were timber and construction divisions. Despite challenges faced by the Company in the construction division, i.e. increase in costs of materials and change in regulations of local authorities, bidding for projects were submitted and necessary steps were being taken by the new Board to revive the business. The Chairman informed that the Company has been scouting for new opportunities continuously. In respect of timber division, the new Board had been occupied with re-branding activities.

5.7 Mr Muniandy enquired as to whether the remaining proceeds of RM3.45 million raised from the last rights issue exercise was sufficient for its current operation and future expansion. The Chairman informed that the Company could consider sale-and-leaseback of its properties for funding or even consider bank borrowings if so required.

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- 5.8 Mr Muniandy then posted the following questions to the Board:-
- a) What is the expected Return of Investment (ROI) of Porto De Melaka Project?
 - b) Whether an impairment was required for the Trade Receivables as at 31 July 2018?
- 5.9 The Chairman replied that the Company's targeted ROI for any contract was 20% to 30%, subject to situation at the material time. The Chairman further clarified that no impairment was required on the Trade Receivables as at 31 July 2018. This was affirmed by the Company's Auditor.
- 5.10 Thereafter, Mr William, a shareholder, commented that the book order was similar with previous year and opined that there should have been a movement in the book order compared to previous year. The Chairman replied the book order was RM311 million in the current year compared to RM340 million in the previous year. Mr William enquired on the Board's assessment on the project progress of the next year. The Chairman replied that it was a two (2) years project and therefore, half of the works was expected to be completed in the following year.
- 5.11 Mr William further commented that the profit margin from current project was less than five per centum (5%) of the total revenue of the Group. He enquired as to how the Company would manage its operating expenses with such low profit margin. The Chairman replied that in construction line, the revenue would be recognized progressively based on percentage of completion method. However, the cost would be recognized upfront, in line with accounting standards. En Aimi Aizal bin Nasharuddin, the Chairman of the Audit Committee, concurred with the Chairman. Mr William viewed that both revenue and cost should be recognized progressively based on percentage of completion method, as practiced by other public listed companies. The Chairman repeated the Company's stand that cost would be recognized and booked as and when it occurs.
- 5.12 In reply to Mr William's enquiry on the profit margin in the next two (2) years, Mr Low Seng Heng, Chief Operating Officer of the Company, replied that the Company expects only a single digit profit margin in the next 2 years. Mr William further enquired as to how the Company would manage its operating expenses with such low profit margin. The Chairman replied that the Company was considering fund raising activities to strengthen its cash position.
- 5.13 Thereafter, Mr Hong Heng Poh, a shareholder, enquired on the share issuance expenses which was stated in the Management Discussion and Analysis of Annual Report 2018. Ms Freiya Chong, the Senior Finance Manager of the Company, clarified that those expenses referred to costs of issuance of shares to the employees which was computed using a financial software . She further clarified that those expenses were merely accounting entries with no actual movement of cash.
- 5.14 Mr Lee Chee Leong, a shareholder, enquired on the implication to Anzo should the project was not completed in time. The Chairman replied that Anzo was merely a sub-contractor and therefore, any Liquidated Ascertained Damages (LAD) arising from late completion of construction works would be borne by the developer. Datuk Chai, the Managing Director, informed that the Management has been monitoring its sales progress for the benefits of the Company.
- 5.15 There being no further matters raised, the Chairman proceeded with the next agenda of the meeting.

6.0 TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING PURSUANT TO THE COMPANY'S ARTICLES OF ASSOCIATION

6.1 The Chairman informed that the next agenda was to re-elect the following retiring Directors:-

- a) Dato' Seri Abdul Azim Bin Mohd Zabidi (Article 97)
- b) Dato' Sri Ti Lian Ker (Article 97)
- c) Tan Lay Chee (Article 103)

6.2 There being no questions raised by the Shareholders, the Chairman proceeded with the next agenda of the meeting.

7.0 TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE

7.1 The Chairman informed that the next item on the agenda was to approve the payment of Directors' fees and other benefits payable of up to RM300,000.00 to the Directors of the Company for the financial year ending 31 July 2019.

7.2 There being no questions raised by the Shareholders, the Chairman proceeded with the next agenda of the meeting.

8.0 RE-APPOINTMENT OF MESSRS AFRIZAN TARMILI KHAIRUL AZHAR AS AUDITORS OF THE COMPANY

8.1 The Chairman informed the meeting that the retiring auditors, Messrs Afrizan Tarmili Khairul Azhar had expressed their willingness to accept the re-appointment as auditors of the Company for the ensuing year.

8.2 There being no questions raised by Shareholders, the Chairman proceeded with the next agenda of the meeting.

9.0 AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

9.1 The Chairman informed that the next agenda was to authorize Directors to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies, 2016. The Chairman referred the Shareholders to the Notice of the 40th AGM dated 2 November 2018 for further information.

9.2 There being no questions raised by Shareholders, the Chairman proceeded with the next agenda of the meeting.

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

10.1 The Chairman informed that the next agenda was to approve the proposed renewal of the existing shareholders' mandate in relation to the recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 30 October 2018.

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10.2 There being no questions raised by Shareholders, the Chairman proceeded with the next agenda of the meeting.

11.0 TO APPROVE THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

11.1 The Chairman informed that the next agenda was to approve a special resolution relating to the proposed adoption of the new Constitution of the Company, details of which were set out in the Circular to Shareholders dated 30 October 2018.

11.2 There being no questions raised by Shareholders, the Chairman proceeded with the next agenda of the meeting

12.0 ANY OTHER BUSINESS

12.1 The Chairman was advised the Company Secretary that no notice to transact any other business had been received by the Company.

12.2 Thereafter, the Chairman invited the Poll Administrator to brief the Shareholders on the polling procedures.

12.3 The Chairman adjourned the meeting at 10.23 a.m., and informed that a recess of about 30 minutes would be provided to the Shareholders pending verification and voting of the polling.

13.0 DECLARATION OF RESULTS

13.1 Upon resumption of the meeting at 11.00 a.m., the Poll Administrator announced the results of the poll voting and the Chairman declared that all seven (7) ordinary resolutions and one (1) special resolution set out in the Notice of AGM dated 2 November 2018 were carried, as attached hereto as Annexure IV.

14.0 TERMINATION

14.1 There being no other business, the 40th AGM ended at 11.10 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

Dato' Seri Abdul Azim Bin Mohd Zabidi
Chairman