

HIAP TECK VENTURE BERHAD

(Company No. 421340-U)

(Incorporated in Malaysia)

MINUTES OF THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD AT SETIA CITY CONVENTION CENTRE, FUNCTION ROOM 8, 1ST FLOOR, NO. 1, JALAN SETIA DAGANG AG U13/AG, SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON MONDAY, 18 DECEMBER 2017 AT 10.00 A.M.

PRESENT : Directors

Tan Sri Abd Rahman bin Mamat (Chairman/ Independent Non-Executive Director)

Tan Sri Dato' Law Tien Seng (Executive Deputy Chairman)

Leow Hoi Loong @ Liow Hoi Loong (Independent Non-Executive Director)

Lee Ching Kion (Independent Non- Executive Director)

Law Wai Cheong (Executive Director)

Foo Kok Siew (Executive Director)

Tan Shau Ming (Executive Director)

Shareholders and Proxies

As per Attendance List

ABSENT WITH APOLOGY : Ng Soon Lai @ Ng Siek Chuan (Independent Non-Executive Director)

BY INVITATION : As per Attendance List

IN ATTENDANCE : Mr. Ng Yim Kong (Company Secretary)

1.0 CHAIRMAN'S ADDRESS

The Chairman, Tan Sri Abd Rahman Bin Mamat called the meeting to order at 10.00 a.m. and welcomed everyone to the Company's Twenty-First Annual General Meeting ("the said AGM").

At the onset, the Chairman informed the Members present that Mr. Ng Soon Lai @ Ng Siek Chuan was absent with apology.

2.0 QUORUM

2.1 Upon the Company's Secretary confirmation of the presence of a quorum, the Chairman declared that the Meeting had been properly convened and shall proceed to business.

3.0 PROXIES

Upon the request by the Chairman for a report of the proxies received for this Meeting, the Company Secretary confirmed that the Company had received 74 proxies for 538,545,559 ordinary shares representing 41.01% of the total shareholdings of the Company. Out of these proxies, 36 proxies for 528,135,058 shares representing 40.22% were given to the Chairman to vote in favour of all the resolutions.

4.0 NOTICE OF MEETING

4.1 The Chairman informed the Members and the Proxies present that the Notice Convening the Meeting had been properly circulated to all the Members and had been duly advertised in the newspaper on 24 November 2017 in accordance with the Company's Articles of Association and asked, if the Members had no objection, the Notice would be taken as read. Otherwise, he would call upon the Company Secretary to read the Notice.

4.2 The Chairman paused to allow the Members to decide.

4.3 As there was no objection noted, the Chairman declared that the Notice was taken as read.

4.4 The Chairman informed the Member's present that before proceeding to discuss the agenda of today's Annual General Meeting, their attention were drawn to an amendment to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which came into effect from 1 July 2016 requiring poll voting to be conducted for all the resolutions set out in the notice of this Annual General Meeting.

Therefore, to facilitate the smooth conduct of the 21st Annual General Meeting, the Chairman proposed that the voting by poll of all resolutions should be conducted after all resolutions have been dealt with. This proposal was duly seconded by Mr. Teoh Han Chong, a shareholder. There was no objection against this proposal.

5.0 At this juncture, the Chairman informed the Members present that the Board of Directors had received a **letter from the Minority Shareholders' Watchdog Group ("MSWG") dated 14 December 2017** stating that MSWG would like to raise a few questions and/or to seek clarifications on a few matters relating to the Strategy and Financials of the Group which MSWG felt were of interest to the Minority Shareholders and all other stakeholders of the Group. In view of that, the Chairman called upon Mr. Foo Kok Siew ("Mr. Foo"), an Executive Director of the Company to read out to the Members the Board of Directors' reply to the MSWG's questions.

Mr. Foo read out the Board of Directors' reply to the MSWG's letter dated 14 December 2017; a copy of which is attached to these Minutes for record purpose. (Appendix A)

As there was no comment from the Members regarding either MSWG's letter dated 14 December 2017 or the Board of Directors' reply to the said letter, the Chairman proceeded to the First Agenda of the 21st Annual General Meeting.

6.0 AGENDA 1: TO RECEIVE THE AUDITED FINANCIAL STATEMENTS

6.1 The Chairman informed the Members and Proxies present that Agenda 1 was to receive the Audited Financial Statements of the Company for the financial year ended 31 July 2017 together with the Reports of the Directors and Auditors which had been properly circulated to all the Members within the prescribed period; a copy of which was tabled at the Meeting ("the Said Audited Financial Statement").

6.2 Further, Agenda 1 was meant for discussion only as the provision of Section 340(1) of the Companies Act, 2016 and the Company's Articles of Association did not require a formal approval of the Said Audited Financial Statements by the Members. Hence, Agenda 1 was not subject to voting by poll.

6.3 The Chairman invited questions from the Members.

6.4 Mr. William Ng Kok Kiong ("Mr. William Ng"), a proxy holder asked the following questions which were duly answered by Mr. Foo.

(a) Mr. William Ng pointed out that the Company's joint venture, Eastern Steel Sdn. Bhd. ("ESSB") had suspended its operation for the last two years and asked when ESSB will resume operation and at what extra cost. Mr. Foo replied that ESSB is at the final stages of its resumption plan. ESSB's Management is in the process of gathering the costs involved and the manpower required for the resumption of ESSB's operation sometime in 2018.

(b) Mr. William Ng noted that the cash balance of the Group had fallen as at 31 July 2017. Mr. Foo replied that the Group is still financially stable and did not expect any major capital expenditure to be incurred in the near future.

(c) Mr. William Ng asked if the high inventory which amounted to RM323.847 million as at 31 July 2017 (31 July 2016 – RM254.993 million) was kept based on sales/demand. Mr. Foo replied that the inventory was maintained based on production.

(d) Mr. William Ng noted that the Group's production was at 45% to 55% capacity and asked if there was any plan to increase the capacity. Mr. Foo replied affirmatively.

(e) Referring to note 11, Mr. William Ng asked if the impairment loss was a one time impairment. Mr. Foo replied that the Group had already taken into account the impairment and did not expect to have any more impairment.

(f) Mr. William Ng asked if the Company will resume dividend payment. Mr. Foo said that the Board will assess the situation next year.

(g) With reference to Note 22 on Page 95 which showed an increase in remuneration payable to Executive Directors in the Group from RM2.675 million to RM5.727 million, Mr. William Ng wanted to know the income compensation payable to the Senior Executives. Mr. Foo replied that there had been an increase in the number of Executive Directors in line with the operating performance of the Group. In connection to this, Mr. William Ng suggested that the Executive Directors should be rewarded later whilst shareholders should be rewarded first. Mr. Foo said that it was duly noted.

6.5 As there were no further questions from the Floor, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 July 2017 together with the Reports of the Directors and Auditors were hereby duly received.

7.0 ORDINARY RESOLUTION NO. 1

• APPROVAL FOR PAYMENT OF DIRECTORS' FEES FOR THE YEAR ENDED 31 JULY 2017

7.1 The Chairman proceeded to item No. 2 of the Agenda which was to approve the Directors' fees which amounted to RM360,000.00 for the financial year ended 31 July 2017 and requested for a Proposer and a Secunder for the motion.

7.2 The motion was proposed by Mr. Chia Yew Loong and duly seconded by Mr. Lim Tan Yeow Kuan.

7.3 The Chairman then invited questions from the Floor regarding Ordinary Resolution No. 1. As there was no question on Ordinary Resolution No. 1, the Chairman proceeded to Ordinary Resolutions No. 2, 3 and 4 (Agenda No. 3) which involved the re-election of Directors pursuant to Article 79 of the Company's Article of Association namely:

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|------------------------------------|-------------------------|
| (a) Tan Sri Abd Rahman Bin Mamat | (Ordinary Resolution 2) |
| (b) Mr. Ng Soon Lai @ Ng Sek Chuan | (Ordinary Resolution 3) |
| (c) Mr. Lee Ching Kion | (Ordinary Resolution 4) |

8.0 ORDINARY RESOLUTIONS 2, 3 AND 4

• RE-ELECTION OF DIRECTORS WHO ARE RETIRING IN ACCORDANCE WITH ARTICLE 79 OF THE COMPANY'S ARTICLES OF ASSOCIATION :-

As the Chairman was interested in Ordinary Resolution 2, he passed the Chair to Mr. Foo Kok Siew ("Mr. Foo") to conduct the proceeding for this resolution.

Ordinary Resolution No. 2 (Agenda No. 3.1) was to re-elect Tan Sri Abd Rahman Bin Mamat who was retiring in accordance with Article 79 of the Company's Articles of Association.

Mr. Foo requested for a Proposer and a Secunder for the motion to re-elect Tan Sri Abd Rahman Bin Mamat, which was proposed by Mr. Teoh Han Chong and duly seconded by Mr. Chong Yun Haw.

Mr. Foo invited questions from the Floor. As there was no question from the Floor, Mr. Foo passed the Chair back to the Chairman. The Chairman proceeded to Ordinary Resolution No. 3 (Agenda No. 3.2) which was to re-elect Mr. Ng Soon Lai @ Ng Siek Chuan. The motion was proposed by Mr. Lim Tan Yeow Kuan and duly seconded by Mr. William Ng Kok Kiong.

The Chairman invited questions from the Floor. As there was no question from the Floor, the Chairman proceeded to Ordinary Resolution No. 4 (Agenda No. 3.3) which was to re-elect Mr. Lee Ching Kion. The motion was proposed by Mr. Teoh Han Chong and duly seconded by Mr. Lim Tan Yeow Kuan.

The Chairman invited questions from the Floor. As there was no questions from the Floor, the Chairman proceeded to Ordinary Resolution No. 5 (Agenda No. 4).

9.0 ORDINARY RESOLUTION 5

• RETIREMENT OF DIRECTOR WHO IS RETIRING IN ACCORDANCE WITH ARTICLE 84 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Chairman informed the Members that Mr. Law Wai Cheong who was appointed as Executive Director on 3 January 2017 was retiring in accordance with Article 84 of the Company's Articles of Association and being eligible had offered himself for re-election.

Ordinary Resolution No. 5 (Agenda 4) was therefore, regarding the re-election of Mr. Law Wai Cheong as an Executive Director of the Company.

The motion was proposed by Mr. Teoh Han Chong and duly seconded by Mr. Lim Tan Yeow Kuan.

The Chairman invited questions from the Floor. As there was no questions from the Floor, the Chairman proceeded to Ordinary Resolution No. 6 (Agenda No. 5).

10.0 ORDINARY RESOLUTION 6

• **REAPPOINTMENT OF AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

Ordinary Resolution No. 6 (Agenda No. 5) was to re-appoint Messrs. KPMG PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. The Chairman informed the Floor that the retiring Auditors, Messrs. KPMG PLT had expressed their willingness to continue in office.

The motion was proposed by Mr. Lim Tan Yeow Kuan and duly seconded by Mr. Chong Yun Haw.

The Chairman invited questions from the Floor. As there was no questions from the Floor, the Chairman proceeded to Ordinary Resolution 7 (Agenda No 6.1 – Special Business)

11.0 ORDINARY RESOLUTION 7

• **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016.**

Ordinary Resolution 7 was to consider and if thought fit, to pass the Ordinary Resolution pertaining to the authority to be given to the Directors pursuant to Section 75 and 76 of the Companies Act, 2016:-

“**THAT** subject always to the approvals of the relevant authorities, the Directors be hereby authorised pursuant to Section 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time 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 to be issued pursuant to this resolution does not exceed 10% of the total issued capital of the Company (excluding treasury shares) at the time of issue **AND THAT** the Directors be hereby also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

The motion was proposed by Mr Lim Tan Yeow Kuan and duly seconded by Mr. Teoh Han Chong.

The Chairman invited questions from the Floor. As there was no question from the Floor, the Chairman proceeded to Ordinary Resolution 8 (Agenda 6.2 – Special Business).

12.0 ORDINARY RESOLUTION 8

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

Ordinary Resolution 8 was to consider and if thought fit, to pass the following Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. ("Proposed Renewal of Shareholders' Mandate") as an Ordinary Resolution:

"THAT the Company and/or its subsidiaries be hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 24 November 2017, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

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

AND FURTHER THAT such authority shall 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 such Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the 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 ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier."

The motion relating to the renewal of this shareholders' mandate was proposed by Mr. Lim Tan Yeow Kuan and duly seconded by Mr. Teoh Han Chong.

The Chairman invited question from the Floor. As there was no questions from the Floor, the Chairman proceeded to Agenda 7 relating to Any Other Business.

13.0 ANY OTHER BUSINESS

Upon the confirmation by the Company Secretary, the Chairman informed the Shareholders and Proxies that the Company had not received any notice to transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016. Accordingly, the Chairman said that all resolutions tabled at the Twenty-First Annual General Meeting had been dealt with. The Shareholders were informed that the Meeting would proceed to poll voting in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and that the Company Secretary would brief the Members on the e-polling procedures which will be carried out by Symphony Share Registrars Sdn. Bhd.

The Company Secretary briefed the Members on e-polling procedures and informed the Members that Cik Ruzeti Emar Binti Mohd Rosli of Symphony Corporate House Sdn Bhd had been appointed the Scrutineer for the e-polling.

The Chairman advised the Members that the Meeting would adjourn for half an hour for the purpose of conducting the e-polling.

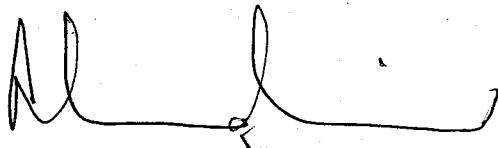
The meeting was reconvened after the votes had been counted by the Share Registers and verified by the Scrutineer, and the result of the poll voting was delivered to the Chairman for announcement to the Members.

The Chairman called the Twenty-First Annual General Meeting to order again and announced the polling results as per attached (Appendix B).

14.0 TERMINATION

Since there was no other business to be transacted, the Chairman declared the Meeting closed at 11.15 a.m. and thanked everybody who was present at the Meeting. A vote of thanks was given to the Chair.

**CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THEREAT**



CHAIRMAN

TAN SRI ABD RAHMAN BIN MAMAT

Dated: **18 DECEMBER 2017**

Shah Alam

Ref: HTVB/NYK/VAL/TCL