

JASA KITA BERHAD

(Company No. 239256-M) (Incorporated in Malaysia)

Summary of key matters discussed at the 25th Annual General Meeting of the Company held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 20 September 2017 at 10.00 a.m.

OPENING

Meeting started at 10.00 a.m. with a welcome address from the Chairman of the Meeting, who explained the meeting and polling procedures.

AGENDA ITEM 1

AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

This item was meant for discussion only, and was not a business which required a resolution to be put forward for voting by the shareholders.

The audited financial statements of the Group and the Company for the financial year ended 31 March 2017, together with the Reports of the Directors and Auditors thereon, were received and noted by the members/proxies present.

The key questions raised by members/proxies and the corresponding answers by the Directors and the Advisor of the Company on this item are as follows :-

Question 1

The Board was asked about the strategic plans of the Group in view of the Group's declining revenue.

Answer 1

Mr Ong Bing Yap ("Mr Ong"), the Executive Director of the Company, replied that owing to economic uncertainties, both locally and internationally, which lead to continued volatility in commodity prices, weakness in the Ringgit against US Dollars and stiff competition among the market players, the prevailing difficult trading environment of higher product costs and reduced margins would persist over the near term. Such challenging economic conditions would weigh down on the Group's revenue and profitability for the current financial year. Nevertheless, the Group was constantly striving to offer and position its products competitively. The Group was also looking into establishing innovative channels of distribution and enhancing its competitive advantages in product offerings, branding, market coverage and servicing, to ensure future growth and improve long-term performance.

Various strategic plans had been implemented to improve the future performance of the Group, amongst others, as follows :-

- a) With the loss of sole distribution right for Makita power tools, the Group had taken measures to reduce the risk associated with over reliance on any particular brand by promoting multiple brands distribution. The Company had replaced the loss by taking up representation for two new brands of electric hand tools, namely :-

i) Devon brand

- The Group had secured a new sole distributorship from Chervon China for the Devon power tools brand in Malaysia, which was launched in August 2016. Devon has been positioned to compete with lower priced tools.

ii) Metabo brand

- Metabo is a world renowned German brand of electric hand tools which was launched on 8 April 2017. It is positioned as a premium product.

The above brands have good potential and the Group would use them to recapture its loss of revenue in the industrial segment. Various programmes had been scheduled to promote these brands.

- b) The automotive battery division which was established by the Group in June 2016 selling exclusively GP batteries and focusing on retailers such as automotive repair shops, tyre shops, mechanic/workshops, second-hand car dealers, etc had shown improvement in sales. Following that, the Company formed a wholly owned subsidiary called Jasa Kita Auto Sdn Bhd in July 2017 to carry out the trading of automobile batteries and auto related industrial products both locally and overseas. Jasa Kita Auto Sdn Bhd was expected to contribute significantly to Group revenue for the 2018 financial year.

In addition, the adoption of STR (Sales to Retailer) distribution strategy was expected to improve margins and strengthen the Group's position in the market in terms of competitive edge.

Question 2

On whether the Group would consider expanding its logistic sector by acquiring a new warehouse in view of the favourable results of this sector.

Answer 2

Mr Ong explained that although the revenue of the warehousing services division had shown an increase over the previous year, its growth was restricted by the availability of space for rental. The Management had worked to constantly optimize rental space and focused on customers with better margins to boost returns. However, the Group currently had no plan to expand the division.

Question 3

On the details of "Investment holding" in the sum of RM6.8 million as stated in page 90 of the Annual Report and whether the Company plans to invest in any quoted shares.

Answer 3

Mr Woo Hin Weng ("Mr Woo"), Executive Director of the Company, explained that the inter-segment revenue under "investment holding" of RM6.8 million referred to intra-group dividend. He further explained that as an investment holding company, the main source of income of the Company was mainly from interest and dividend income. The Group had placed its excess funds into fixed deposits and money market fund. Distribution income earned from money market fund placement was able to provide tax-exempt return for the Group.

Question 4

On the details of “Distribution income from investment securities” amounting RM167,051 and “interest income” of RM1,255,020 as stated in page 73 of the Annual Report.

Answer 4

Mr Woo explained that the aforesaid Distribution income from investment securities was in respect of income derived from money market fund placement, while interest income was in respect of interest derived from the placement of fixed deposits with banks.

Question 5

On the forecast of Group revenue for the next few years.

Answer 5

Mr Ong said the Management targeted for the Group’s revenue to grow significantly in the near future based on the strategic plans undertaken so far and action plans for the Group as discussed and explained to the meeting earlier.

AGENDA ITEM 2

PAYMENT OF THE DIRECTORS' FEES :-

- **ORDINARY RESOLUTION 1**
 - **RM42,000 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**
 - **ORDINARY RESOLUTION 2**
 - **RM63,000 FOR THE PERIOD FROM 1 APRIL 2017 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**
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There was no question raised on this item.

AGENDA ITEM 3

RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 83 OF THE COMPANY’S ARTICLES OF ASSOCIATION :-

- **ORDINARY RESOLUTION 3**
 - **RE-ELECTION OF MR WOO HIN WENG**
 - **ORDINARY RESOLUTION 4**
 - **RE-ELECTION OF MR TANG TAT CHUN**
 - **ORDINARY RESOLUTION 5**
 - **RE-ELECTION OF MR LIAN TENG HAI**
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There was no question raised on this item.

AGENDA ITEM 4

RE-APPOINTMENT OF DIRECTORS :-

- **ORDINARY RESOLUTION 6**
 - **RE-APPOINTMENT OF TAN SRI DATO’ TAN HUA CHOON**
 - **ORDINARY RESOLUTION 7**
 - **RE-APPOINTMENT OF MAJ GEN DATO’ OSMAN BIN MOHD ZAIN (RTD)**
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There was no question raised on this item.

AGENDA ITEM 5
ORDINARY RESOLUTION 8
- RE-APPOINTMENT OF MESSRS PKF AS AUDITORS OF THE COMPANY

There was no question raised on this item.

AGENDA ITEM 6
ORDINARY RESOLUTION 9
- PROPOSED RETENTION OF MAJ GEN DATO' OSMAN BIN MOHD ZAIN (RTD)
AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

There was no question raised on this item.

POLL RESULTS

All resolutions tabled at the Meeting were carried.