

JASA KITA BERHAD

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

Summary of key matters discussed at the 26th 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 Tuesday, 4 September 2018 at 10.30 a.m.

OPENING

Meeting started at 10.30 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 2018 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 2018, 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 were as follows :-

Question 1

What are the strategic plans of the Board to turnaround the Group in view of the Group's revenue having declined from RM59.0 million in FY2014 to RM26.0 million in FY2018 and profit before tax of RM5.3 million in FY2014 to loss before tax of RM3.4 million in FY2018.

Answer 1

The drop in revenue since FY2014 was mainly due to the Group's loss of sole distribution right for Makita power tools especially electric hand tools. Revenue from sales of Makita Power Tools had since then gradually declined and continued to be on the downtrend, despite various measures taken by the Group to stay competitive. Continued cost pressures as well as the increased competition in the power tools distribution business had affected product margins.

Efforts have been undertaken by the Management to arrest and reverse the declining power tools sales through intensified promotion of two of the Group's exclusive local distributorship; Devon and Metabo brands of products within the dealership network. The Metabo brand was positioned within the premium range of power tools targeted at professional end-users, while the Devon brand was positioned as a mid-range product to penetrate into the current distribution channel.

In order to boost revenue, the Group had in the year established a new division, namely automotive battery division, to sell GP brand automotive batteries and the direction of this division was to focus on the retail platform such as automotive accessory shops, tyre shops, mechanic/workshops, second-hand car dealers, etc. The Group had moved aggressively into the automotive batteries trading business and had developed an innovative marketing and distribution strategy of promoting its products through the establishment of its own network of GP Outlets in

major towns. The Management planned to increase more GP outlets in order to expand its marketing coverage and provide better support to the retailers in terms of pricing competitiveness and logistics as well as enhanced pre-and post-sales services to the customers. As the business had just been started, operating results were expected to be affected by the various initial start-up expenditures necessary to be incurred, hence the automotive batteries division was expected to be in a loss position for FY2018, with improvement targetted for the next financial year.

In addition, the Group had also included in the new business division related automotive products such as lubricant oils, to further strengthen the Group's revenue base.

Apart from the above initiatives, the Group also planned to venture into property development. The Management was in the process of carrying out a feasibility study for the development of a piece of the Group's industrial land located at Mukim Setapak, Kuala Lumpur. Moving forward, the focus of the Group would be on automotive batteries business and property development.

Question 2

On the impact of abolishment of Goods and Services Tax ("GST") and enforcement of Sales and Service Tax ("SST") on the Group's business.

Answer 2

The advantages of abolishment of GST with the implementation of SST to the Group's business are in terms of administrative, cost of products and cash flow. However, it was noted that the implementation of SST would not have material impact on the Group's earnings.

Question 3

On the actions taken by the Group in respect of the digitalized business readiness/e-business for the Group's products.

Answer 3

The Group had placed increased importance on digital marketing and promoting its products through e-commerce and various online shopping platforms, such as Lazada and Shopee for online marketing of products.

AGENDA ITEM 2

ORDINARY RESOLUTION 1

- PAYMENT OF DIRECTORS' FEES OF UP TO RM42,000 FROM 1 OCTOBER 2018 UNTIL NEXT ANNUAL GENERAL MEETING OF THE COMPANY

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 2**
 - **RE-ELECTION OF MR ONG BING YAP**
 - **ORDINARY RESOLUTION 3**
 - **RE-ELECTION OF DATIN TAN CHING CHING**
-

There were no questions raised on these items.

AGENDA ITEM 4

RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH ARTICLE 90 OF THE COMPANY'S ARTICLES OF ASSOCIATION :-

▪ ORDINARY RESOLUTION 4

- RE-ELECTION OF DATO' ISMAIL BIN HAMZAH

There was no question raised on this item.

AGENDA ITEM 6

ORDINARY RESOLUTION 5

- RE-APPOINTMENT OF MESSRS PKF AS AUDITORS OF THE COMPANY

There was no question raised on this item.

AGENDA ITEM 7

ORDINARY RESOLUTION 6

- 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.

AGENDA ITEM 8

ORDINARY RESOLUTION 7

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

The Chairman informed that details pertaining to the Proposed Renewal of Shareholders' Mandate were given in the Circular to Shareholders dated 30 July 2018 ("the Circular"), which had been despatched together with the 2018 Annual Report on the same day.

The Proposed Renewal of Shareholders' Mandate, if approved, would authorize the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Related Parties as stated in Section 2.6 of the Circular which were necessary for the day-to-day operations of the Group provided that the transactions were undertaken in the ordinary course of business, which were carried out on arm's length basis, on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and were not detrimental to the minority shareholders of the Company.

The recurrent related party transactions ("RRPT") were intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial well being and management of the Related Parties, thus enabling more timely and informed commercial decisions to be made.

The Proposed Renewal of Shareholders' Mandate, subject to annual review, would enhance the ability of the Group to pursue business opportunities which are time-sensitive in nature and would eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek prior approval of the shareholders of the Company for the RRPT. This would substantially reduce the expenses associated with convening general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources and time to be channelled towards attaining corporate objectives.

To the question raised by the member about the actual value of RRPT transacted since the last Extraordinary General Meeting held on 3 July 2018 and the estimated value to be incurred from this AGM to the next AGM. Shareholders were referred to section 2.6 (class and nature of RRPT) on the Circular, details as follows :-

| Transacting Parties | | Interested Related Parties | Nature of Transaction | Estimated value as disclosed in the Circular to Shareholders dated 12 June 2018 | Actual value transacted from 3 July 2018 ⁽¹⁾ to 16 July 2018 ⁽²⁾ | Estimated value from the 26 th AGM to next AGM |
|---|---|--|---|---|--|---|
| JKB Group | Related Parties | | | | | |
| Jasa Kita Trading Sdn Bhd ("JKT") Jasa Kita Auto Sdn Bhd ("JKA") | GP Autobat Sdn Bhd ("GP Autobat") GP Marketing Sdn Bhd ("GPM") | Tan Sri Dato' Tan Hua Choon ⁽³⁾ | Sale of automotive batteries and related accessories by GP Autobat and GPM to JKT and JKA. | RM1,000,000 | RM133,161 | RM15,000,000 |
| JKA | GP Autobat | Tan Sri Dato' Tan Hua Choon ⁽³⁾ | - Royalty payment by JKA to GP Autobat for the appointment of JKA as GP Autobat's authorised distributor with non-exclusive right to distribute the automotive batteries and related accessories. - Royalty payment by JKA to GP Autobat for sale of lubricant oil by JKA under GP trade mark. | RM400,000 RM200,000 | - - | RM2,500,000 RM1,000,000 |

POLL RESULTS

All resolutions tabled at the Meeting were carried.