

# JASA KITA BERHAD

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

**Minutes of the 30<sup>th</sup> Annual General Meeting of the Company conducted fully virtual through live streaming at the Broadcast Venue at the Conference Room, 29<sup>th</sup> Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Kuala Lumpur on Wednesday, 7 September 2022 at 10.30 a.m.**

Board members	: <u>Board of Directors</u>		
present	Tan Sri Dato' Tan Hua Choon	(Executive Chairman)	} Present at Broadcast Venue
	Mr Boon Shi Hou	(Executive Director)	
	Dato' Ismail bin Hamzah	(Independent Non-Executive Director)	
	Dato' Sri Tan Han Chuan	(Executive Director)	} Attended via video conferencing
	En Minhat Bin Mion	(Independent Non-Executive Director)	
	Mr Woo Hin Weng	(Non-Independent Non-Executive Director)	
By Invitation	: Dato' Thor Poh Seng	(Advisor, Corporate & Strategic Planning)	} Present at Broadcast Venue
	Ms Lu Sew Woi	(Group Accountant)	
	Puan Sharinah Datuk Hj Md Iqbal	(Messrs PKF PLT)	
	Mr Tony Teow Thong Ying	(Tricor Investor & Issuing House Services Sdn Bhd)	} Attended via video conferencing
	Ms Lee Siew Li		
	Mr Cheng Kang Shaun		
Members and Proxies present	: As per attendance lists		} Attended via video conferencing
In Attendance	: Ms Chong Siew Duan	(Company Secretary)	

## CHAIRMAN OF MEETING

The Meeting began with welcome address from Mr Boon Shi Hou ("Mr Boon") to all who were present at the Broadcast Venue and who joined the Meeting through live streaming, via the Remote Participation and Voting Facilities ("RPV"). Mr Boon explained that as a precautionary measure in light of the COVID-19 pandemic, the Board had decided to convene the 30<sup>th</sup> Annual General Meeting ("30<sup>th</sup> AGM") in a fully virtual manner at the Broadcast Venue, the registered office of the Company.

Mr Boon informed the members and proxies present that he was requested by Tan Sri Dato' Tan Hua Choon, Chairman of the Board, to chair the Meeting on his behalf. Mr Boon also extended apologies on behalf of Dato' Osman bin Mohd Zain and Datin Tan Ching Ching for not being able to attend the meeting due to other official engagements.

The attendance of the 30<sup>th</sup> AGM was restricted to members, proxies and authorised representatives of corporate shareholders who have registered to join the meeting remotely.

## QUORUM

Upon confirmation with the Secretary that a quorum was present, the Chairman declared that the meeting could proceed to business.

## **NOTICE OF MEETING**

On the proposal of the Chairman and with the permission of the members present, the notice convening the meeting having been despatched to the members on 29 July 2022 was taken as read.

## **VOTING PROCEDURE**

At the outset, the Chairman informed the members and proxies present that in accordance with the Bursa Malaysia's Listing Requirements, any resolution set out in the notice of any general meeting was required to be voted by poll. He then briefed the members and proxies present regarding the flow of the Meeting and procedures for poll voting via RPV. To facilitate the polling process, the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator, and Mr Eng Boon Kiat, a qualified member of Certified Practising Accountant (CPA) Australia as the Independent Scrutineer to scrutinise the polling process and to validate votes cast at the Meeting.

Prior to commencing the agenda item of the Meeting, the representative from Tricor was invited to explain the voting procedures and ways to raise question through RPV application.

## **ITEM 1 OF AGENDA**

### **- AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

Members and proxies present at the Meeting were informed that in accordance with Sections 248(2) and 340(1)(a) of the Companies Act 2016, the Directors of the Company were required to lay before the members of the Company at the Meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2022, together with the Reports of the Directors and Auditors thereon. As the provision for the said Sections did not require an approval of the members for the Audited Financial Statements, the first item of the Agenda was for discussion and clarification only and not put forward to the members for voting.

## **ORDINARY RESOLUTION 1**

### **- PAYMENT OF DIRECTORS' FEES FROM 1 OCTOBER 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY**

The members and proxies noted that the total fees payable to the Non-Executive Directors ("NEDs") for their services rendered to the Company for the 12-month period from 1 October 2022 until the next AGM of the Company was RM42,000.00. The proposed resolution was to facilitate the payment of Directors' fees after each month of completed service of the NEDs for the period commencing from 1 October 2022 until the next AGM of the Company, assuming that all the NEDs would hold office until the next AGM to be held latest by September 2023.

The Chairman then put the following motion to the Meeting for consideration:-

**"THAT** the payment of Directors' fees of up to RM42,000 from 1 October 2022 until the next AGM of the Company be approved."

**ORDINARY RESOLUTION 2**

**- RE-ELECTION OF TAN SRI DATO' TAN HUA CHOON**

The Chairman put the following motion to the Meeting for consideration:-

“**THAT** Tan Sri Dato' Tan Hua Choon, retiring in accordance with Article 98 of the Company's Constitution, be re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 3**

**- RE-ELECTION OF DATO' SRI TAN HAN CHUAN**

The following motion was put to the Meeting for consideration :-

“**THAT** Dato' Sri Tan Han Chuan, retiring in accordance with Article 98 of the Company's Constitution, be re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 4**

**- RE-ELECTION OF EN MINHAT BIN MION**

The Chairman then put the following motion to the Meeting for consideration :-

“**THAT** En Minhat bin Mion, retiring in accordance with Article 98 of the Company's Constitution, be re-elected as a Director of the Company.”

**ORDINARY RESOLUTION 5**

**- RE-APPOINTMENT OF MESSRS PKF PLT (FORMERLY KNOWN AS PKF) AS AUDITORS OF THE COMPANY**

The members and proxies were informed that Messrs PKF PLT (formerly known as PKF) had indicated their willingness to accept re-appointment as auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

The following motion was then put to the Meeting for consideration by the Chairman:-

“**THAT** Messrs PKF PLT (formerly known as PKF) be hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting **AND THAT** the Directors be authorised to fix their remuneration.”

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 6**

**- PROPOSED RETENTION OF MAJ GEN (RTD) DATO' OSMAN BIN MOHD ZAIN AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The members and proxies were briefed that in line with the Malaysian Code on Corporate Governance (“the Code”), the Nomination Committee of the Company had assessed the independence of Maj Gen (Rtd) Dato' Osman Bin Mohd Zain (“Dato' Osman”), who had served as an Independent Non-Executive Director of the Company for a tenure of service exceeding a cumulative term of more than 9 years, and the Board concurred with the Nomination Committee to retain Dato' Osman as an Independent Non-Executive Director of the Company and for the resolution to be voted through a two-tier voting process at the Company's 30<sup>th</sup> AGM as required under the Code.

The Chairman explained to the members and proxies present that justifications for the proposed retention of Dato' Osman as an Independent Non-Executive Director of the Company were given on pages 4 and 24 of the Company's 2022 Annual Report.

The following motion was then put to the meeting for vote by poll through a two-tier voting process :-

“**THAT** Maj Gen (Rtd) Dato' Osman Bin Mohd Zain be retained as an Independent Non-Executive Director of the Company.”

## **SPECIAL BUSINESS**

### **ORDINARY RESOLUTION 7**

#### **- PROPOSED RETENTION OF EN MINHAT BIN MION AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

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The members and proxies were informed that the Nomination Committee of the Company had also assessed the independence of En Minhat bin Mion (“En Minhat”), who had served as an Independent Non-Executive Director of the Company for a tenure of service exceeding a cumulative term of more than 9 years, and recommended for him to continue acting as an Independent Non-Executive Director of the Company. The Board had also made a recommendation for En Minhat to continue acting as an Independent Non-Executive Director of the Company and for the resolution to be voted through a two-tier voting process at the Company's 30<sup>th</sup> AGM.

The Chairman explained to the members and proxies present that justifications for the proposed retention of En Minhat as an Independent Non-Executive Director of the Company were given on pages 4 and 24 of the Company's 2022 Annual Report.

On the proposal of the Chairman, the following proposed Ordinary Resolution was put to the meeting for vote by poll :-

“**THAT** En Minhat bin Mion be retained as an Independent Non-Executive Director of the Company.”

## **OTHER ORDINARY BUSINESS**

The Chairman informed the members and proxies that the Company had not received any notice of other business. The Chairman then proceeded to the Questions & Answers session.

## **QUESTIONS & ANSWERS (“Q&A”) SESSION**

The Chairman informed that the Company had on 24 August 2022 received a letter from the Minority Shareholders Watch Group (MSWG) who raised some questions on Operational, Financial, and Corporate Governance Matters. The Chairman then presented to the members the responses from the Board to the questions raised by MSWG, which were also projected on the screen for the benefit of the participants. The MSWG Q&A are given herewith as Appendix A.

The Chairman and Directors present proceeded to address the questions posed by members and proxies, which Q&A were summarized as follows :-

Questions raised by Mr Ho Yueh Weng, a member, were duly answered by the Chairman as follows :-

- a) On ways to improve profitability of the Group and new business initiative going forward to ensure sustainable growth in view of poor performance of the Company over the past 5 years and losses suffered by the Group for the past 4 years, despite a small profit having been registered for the current financial year, which amount was too small for dividend payments. The Chairman replied that the Management had drawn up plans and strategies for expansion of the Group's businesses such as adoption of prudent organic growth approach and performance optimization of its present business units, amongst others, customer base expansion, recruitment of new dealers, expansion of new distribution channels as well as geographical expansion by venturing into the East Malaysia market. The Board believed that these plans would yield positive results for the Group, improve the Group's financial performance as well as ensure long term sustainability of the Group.
- b) On new business initiative, the Chairman informed that the Group was always exploring new businesses which are synergistic or could align with the Group's business experience, capabilities, strength and expertise in the distribution sales industry. The Group currently focus its business on the domestic market and had no plan to venture into overseas market.
- c) On whether the Company would be sold off, the Chairman answered that the Board is not aware of any corporate exercise.
- d) On any new business initiatives for possible profit growth of the Group instead of relying on the existing/traditional core activities, the Chairman replied that similar question was raised by the MSWG, which response had been read out to the floor earlier.
- e) On initiative to improve the ratio for Directors' Remuneration against Company performance, the Chairman informed that three of the existing Executive Directors of the Company had voluntarily waived their salaries since 2019, and were only paid token sums, in view of the non-favourable financial performance of the Group.
- f) On impairment of written-down inventories, the Chairman replied that following the successful implementation of stocks clearance exercise, the impairment on unsold/slow-moving stocks provided for in previous years had been reversed out in the current financial year.

To the questions from Mr Teh Peng Tin, a member, on cost incurred for the virtual AGM and on request for a printed copy of the Company's annual report, the Chairman replied that the cost incurred for convening the 30<sup>th</sup> AGM of the Company virtually was approximately RM10,000. On the request for a printed copy of the Company's annual report, the Chairman replied that members can refer to the Notification to the Shareholders ("the Notification") which was despatched to all members on 29 July 2022, wherein stated that members could log on to <https://tiih.online> and select "Request for Annual Report/Circular" under the "Investor Services". Members could also contact the Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd via telephone at 03-2783 9299 or via electronic mail : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com) for clarification.

In response to the question from En Mohd Tahir bin Maulut, a proxy, on the Company's future outlook, the Chairman replied that similar question was also raised by the MSWG, which response had been read out to the floor earlier.

The following questions from Mr Teh Kian Lang, a member, were duly answered by the Chairman :-

- a) On when the Company would revert back to physical or hybrid AGM, the Chairman replied that the Board always observes safety and precautionary requirements prescribed by the Government and relevant authorities to curb the spread of COVID-19 . The Board would look into various aspects including interests of members before holding physical AGM in future, as health and safety are ongoing concerns of the Company.
- b) On how the Chief Executive Officer (CEO) runs the Company, the Chairman answered that the Executive Directors of the Company together with the Management team are responsible for managing the day-to-day operations of the business activities in accordance with the directions of the Board. The Management team always strives to serve the Group at its best, as they are supported by and benefit from the wise counsel of the Board in driving the Group forward.
- c) On 2023 prospects of the Group, the Chairman replied that the Management always strives to perform to contribute to financial success of the Group every year. The same will be applied for 2023.

In response to the requests from other members and proxies for e-door gifts/e-voucher/Touch n Go e-wallet/food vouchers, the Chairman said he would refer the requests to the Board for consideration, for future general meetings.

After addressing all the questions posed by members and proxies via the query box, the Chairman announced that the members and proxies were given another one minute to pose their questions before the session closed. As there were no further questions, the Chairman declared the Q&A session closed.

## **VOTING SESSION**

After dealing with all items on the Agenda, all the seven (7) Ordinary Resolutions were then put to vote by poll. The Chairman reminded members/ proxies to vote via RVP as the voting session would be closed after 5 minutes.

Video on the remote voting instructions was played on the live streaming screen until the end of the voting session.

At 11.40 a.m., the Chairman announced that the voting session for the 30<sup>th</sup> AGM of the Company had ended. He informed that members and proxies' votes would be counted by the poll administrator and verified by the Independent Scrutineer.

The Chairman announced a break of 20 minutes while waiting for the finalisation of poll results.

## **DECLARATION OF RESULTS**

At 12.05 p.m., the Chairman called the Meeting to order for the declaration of results. The results of the votes for all seven (7) Ordinary Resolutions were projected on the screen, wherein the results were read as follows:-


Resolutions	Vote "For"		Vote "Against"	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1	220,928,385	99.9314	151,582	0.0686
Ordinary Resolution 2	77,730,405	99.9976	1,882	0.0024
Ordinary Resolution 3	183,120,685	99.9998	382	0.0002
Ordinary Resolution 4	221,073,085	99.9969	6,882	0.0031
Ordinary Resolution 5	221,079,585	99.9998	382	0.0002
Ordinary Resolution 6				
- Tier 1	181,306,580	100.0000	0	0.0000
- Tier 2	39,766,405	99.9824	6,982	0.0176
Ordinary Resolution 7				
- Tier 1	181,306,580	100.0000	0	0.0000
- Tier 2	39,766,405	99.9824	6,982	0.0176

Based on the poll results, the Chairman declared that all the Ordinary Resolutions tabled at the meeting were carried.

## **CONCLUSION**

The Chairman thanked all the members and proxies present for their support and participation. There being no further business, the meeting ended at 12.15 p.m. with a vote of thanks to the Chair.

CONFIRMED AS TRUE AND  
CORRECT RECORD



BOON SHI HOU  
Chairman

Kuala Lumpur  
Date: 21 September 2022

# JASA KITA BERHAD

Company No. 199201007753 (239256-M)

## 30<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 7 SEPTEMBER 2022

### MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) QUESTION AND ANSWERS

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#### Strategy/Financial Matters

MSWG Q1 : After incurring pre-tax losses for four financial years, the Group registered a pre-tax profit of RM161,000 in FY 2022 (Page 11 of AR 2022).

Will the profitability sustain in FY 2023 or even improve further? What would be the key drivers for an improved financial performance and how would the Group be able to achieve the improved financial performance?

Reply : Barring the absence of any unforeseen macro challenges in the national, regional or world trading environment, the Group is optimistic to maintain its positive financial position in FY 2023.

The Group’s current plans are to streamline its businesses which may include the disposal or gradual cessation of non-strategic or loss-making businesses, and to focus on a cautious expansion of its core businesses by adopting the prudent organic growth approach, in optimizing its present business units’ resources.

MSWG Q2 : The Bathroom Products Division has become the second largest revenue contributor to the Group as the Management was able to carry out scheduled and timely deliveries to project sites, which deliveries were earlier affected by the various lockdowns (Page 12 of AR 2022).

MSWG Q2 (a) : What percentage of Group revenue is contributed by the Bathroom Products Division?

Reply : The Bathroom Products Division contributed 24.2% to the Group Revenue in FY2022.

MSWG Q2 (b) : Is the outstanding total orderbook mainly arising from housing projects or other projects? If due to other projects, what are these projects?

Reply : 80% of the outstanding total order books of the Bathroom Products Division are from housing projects and the balance of 20% are from schools, factories and hospitals projects.



**JASA KITA BERHAD** Company No. 199201007753 (239256-M)

**- MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) [cont’d]  
QUESTION AND ANSWERS**

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MSWG Q2 (c) : What is the outlook for the Division?

Reply : Following the reopening of the country’s geographical borders amidst the Covid-19 Pandemic, Malaysia has seen an improvement and increase in economic activities in 2022. The Government has begun to refocus on completing major infrastructure projects. The construction industry is expected to gradually recover and return to a more vibrant state. The Bathroom Products division will monitor the situation closely and do the necessary to aggressively pursue reliable and established local customers, with the view of strengthening its order book. A major concern, is the shortage of workers faced by the construction industry which could negatively impact our deliveries.

MSWG Q3 : The Electric Motors Division also recorded higher revenue due to improvement in sales particularly to construction projects in the current financial year (Page 12 of AR 2022).

What is the Division’s percentage of revenue contribution to the Group?  
What is the outlook?

Reply : The Electric Motors Division contributed 15.0% to the Group Revenue in FY 2022. This division is expected to maintain its current business performance in FY 2023.

MSWG Q4 : The Group has turned around from the previous year loss before tax position of RM499,000 to report a profit before tax of RM161,000, due to higher revenue generated, better gross profit, successful execution stock clearance exercise and stringent cost controls. The profit before tax of RM161,000 represents the Group’s best performance since the 2018 financial year (Page 12 of AR 2022).

To what extent has successful execution stock clearance exercise and stringent cost controls contributed to better financial performance? Can cost control be further improved going forward? And if so, please elaborate.

**- MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) [cont’d]  
QUESTION AND ANSWERS**

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Reply : The implementation of stock clearance exercise has reduced the Group’s cost of doing business, especially the saving on holding costs for the slow moving / obsolete inventories in terms of storage utilisation and optimization of space for incoming faster moving inventories. Apart from this, there was also saving on manpower costs for warehouse storage and handling of the inventories.

The clearance of slow-moving and obsolete inventories has helped to liquidate some of the Group’s current assets and freed up working capital, to be used for re-ordering of faster moving inventories. This would give the Group the advantage of having a better range of current products, better margins, which would add value to the Group’s financial performance.

As an additional measure of stringent cost control, the Management constantly reviews the Group’s expenditures and has reduced or deferred non-crucial and non-urgent expenses across the Group.

MSWG Q5 : The Hand Tools Division recorded a 6.7% increase in revenue this year despite the disruption in global supply chains and rising transportation and logistics costs (Page 12 of AR 2022).

Though revenue has increased, but given the rising transportation and logistics costs, was the Division profitable? And if so, were profits higher compared to the previous year?

Reply : During the financial year ended 31 March 2022, Hand Tools Division had recorded higher gross profit of RM2.27 million compared to the previous year’s amount of RM2.05 million, mainly due to better price negotiation with the supplier and subsidy on some of the Advertising & Promotional activities by the supplier. In-line with the increase in revenue, Hand Tools Division has reported Profit Before Taxation of RM557,000 (before consolidation) as compared to the Loss Before Taxation of RM134,000 (before consolidation) reported in the previous year.

**JASA KITA BERHAD** Company No. 199201007753 (239256-M)

**- MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) [cont’d]  
QUESTION AND ANSWERS**

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MSWG Q6 : The Group continues to explore new business roadmap for the Group including but not limited to new investments or business opportunities to increase revenue and earnings (Page 13 of AR 2022).

Please elaborate on what constitutes the new business roadmap. Does the Group currently generate sales overseas and, if not, are there plans to venture overseas?

Reply : The Group will explore businesses which are synergistic or could align with our Group’s business experience, capabilities, strength and expertise in the distribution sales industry.

The Group currently focus its business on the domestic market and has no plan to venture into overseas market.

MSWG Q7 : The segment results for Logistics related services segment continued to show a loss {FY 2022: (RM60,295; FY 2021: (RM711,877)} though revenue has increased (FY 2022: RM3.476 million; FY 2021: RM2.455 million) (Pages 93 -94 of AR 2022).

Is there a plan to increase the warehousing capacity? When is the segment expected to turn profitable?

Reply : In line with the Group’s direction to dispose of non-strategic and loss-making businesses, the Company had disposed the loss-making subsidiary, Jasa Bonded Warehousing Sdn Bhd (“JBW”) in August 2022.

- MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) [cont’d]  
QUESTION AND ANSWERS

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**Corporate Governance Matters**

MSWG Q1 : **Practice 13.6** of Malaysian Code on Corporate Governance (MCCG)

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

**JKB’s response:** The Board takes cognizance of keeping the shareholders informed of the voting decisions at general meetings and will ensure that minutes of general meetings detailing the proceedings are published on the Company’s website not later than 30 business days after the general meetings.

**MSWG’s comment:** As per JKB’s website, no Minutes or even summary of key matters discussed at the previous 29th AGM held on 28 September 2021 was published. Please explain.

Reply : The Company did upload the summary of key matters discussed at the general meetings (i.e Annual General Meetings and Extraordinary General Meetings) since year 2016, and all the summary of key matters can be accessible at <https://www.jasakita.com.my/investor-relations/agm-key-matters>.

MSWG Q2 : The costs incurred for the internal audit function in respect of the financial year ended 31 March 2022 was RM14,000 (Page 35 of AR 2022).

Considering that the amount is rather small (approximately RM1,200 per month), is the Board and audit committee satisfied that a meaningful and effective internal audit function could be carried out? What were the areas of coverage during the year? How many internal audit reports were issued? What were the main recommendations of the internal audit function?

Reply : With the various MCOs implemented by the Government due to Covid-19 during the financial year, the internal auditors were not able to carry out some of their scheduled works during the financial year ended 31 March 2022. Nevertheless, the Internal Auditors have carried out the review on procurement management process and had made some recommendations to improve the Procurement Management policies and procedures.