

IKHMAS JAYA GROUP BERHAD (Company No. 1072872-D)
(Incorporated in Malaysia)

MINUTES of the Fifth Annual General Meeting (“5th AGM”) of the Company held at Zamrud 2 Room, The Saujana Hotel, Jalan Lapangan Terbang SAAS, 40150 Selangor Darul Ehsan on Wednesday, 27 June 2018 at 10.00 a.m.

- PRESENT**
- The Board of Directors
 - : Dato’ Syed Ariff Fadzillah Bin Syed Awalluddin, *Chairman*
 - : Dato’ Ang Cheng Siong (*Managing Director*)
 - : Dato’ Ir Dr Khoo Ping Sen (*Executive Director*)
 - : Mr Siew Mun Lout (*Executive Director*)
 - : Mr Ang Wei Zhen (*Executive Director*)
 - : Mr Yuen Choong Lai
 - : Encik Dzulkifli David bin Abdullah
 - : Ms Tan Ming-Li

 - : Shareholders, Proxies & Invitees
 - As per Attendance List.
- IN ATTENDANCE** : Ms Irene Chew (Secretary)
Ms Tan Ai Peng (Representative of the Secretary)

1. QUORUM

The Chairman welcomed the shareholders to the Company’s 5th AGM and upon confirming the presence of a quorum pursuant to Article 72 of the Company’s Articles of Association, duly called the meeting to order at 10.00 a.m.

2. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

The Chairman reported that the Company had received 20 valid proxies representing 4.71% of the Company’s issued share capital.

He then informed that voting for all the ordinary resolutions as set out in notice of the AGM will be carried out by poll in line with Bursa’s Listing Requirements. Quantegic Services Sdn Bhd, an independent scrutineer has been appointed to validate the votes. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 5th AGM.

The Chairman then proceeded to discuss Agenda 1.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (“AFS 2017”)

The Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of the Directors and Auditors having been circulated to all the Members within the prescribed period was taken as read.

The Chairman thereupon invited questions from the floor.

The following questions were raised by Mr Teo Boon Tong:-

- 1) To elaborate the causes of the 58% deviation between the Fourth Quarter Results for the period ended 31 December 2017 (“Q4 2017”) and AFS 2017.
- 2) To explain the drop in the Company’s share price and in the Company’s performance compared to other listed companies in the same industry. It was highlighted that the current market price of the Company’s shares was RM0.24 compared to RM0.57 during the Company’s Initial Public Offering in July 2015.
- 3) The number of pending material litigations yet to be resolved and the amount of these litigations as well as its impact to the Group. References were made to the recent announcements made by the Company.

The Chairman invited Mr Chris Tham, the Chief Financial Officer (CFO) to brief the Meeting on question 1. Mr Chris Tham explained that the deviation was mainly due to the consolidation adjustments made for the capitalization of depreciation charged on plant and machinery into project costs. The amount of depreciation eligible for capitalization was revised and a consolidation entry superseding the initial entry was recorded. However, the reversal of the initial entry was inadvertently omitted in the Q4 2017 financial results.

Mr Chris Tham added that the error was a genuine accounting error which occurred during the consolidation of accounts.

Mr Teo pointed that the error could be eliminated if the Chief Financial Officer have reviewed the accounting entries thoroughly before passing it on to the Auditors for review.

On question 2, Dato’ Ang informed that the current operating environment for the construction industry is very challenging on a backdrop of declining number of projects from the private sector. The Board together with Management would endeavour to increase the Group’s profits and meet Shareholders expectations by among others, maximising Shareholders returns. Going forward, the Group would strive to secure more projects from Government or GLCs instead of being dependent mainly on projects from private sectors.

To this end, Mr Teo sought clarification on whether the Group would be impacted by the Government's decision to review all major projects which may result in cancellation or deferment of some projects. To this end, Dato' Ang informed that he is confident that not all projects would be cancelled or deferred. He opined that infrastructure projects and projects related to healthcare would proceed.

Mr Teo thereafter enquired on the ratio between the Government projects compared to the projects from the private sector as well as the Group's projects on hand and the current order book. Dato' Ang replied that the ratio was approximately 50% (Government projects) and 50% (private sector). The main projects secured by the Group recently were among others, the flood mitigation project in Kedah and the Hospital Kajang project which had been announced in April 2018. The Group's order book as at 30 April 2018 was approximately RM900 million.

On question 3, Dato' Ang reported that the Group has amicably resolve the claims arising from the litigations that have been announced by the Company. The suppliers and sub-contractors have continued to support the Group and they have agreed to instalment payments and defer the payment terms. Dato' Ang added that a team has been set up to oversee and manage the cash flow of the Group.

As there were no further questions raised, the Audited Financial Statements for the financial year ended 31 December 2017 were received.

4. TO APPROVE THE PAYMENT OF DIRECTORS FEES AMOUNTING TO RM174,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 (RESOLUTION 1)

The Company had proposed a payment of Directors fees of RM174,000 for the financial year ending 31 December 2018.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

5. TO APPROVE THE DIRECTORS BENEFIT OF RM32,000 FROM 28 JUNE 2018 UP TO THE NEXT ANNUAL GENERAL MEETING (RESOLUTION 2)

The Company had proposed a payment of Directors benefit of RM32,000 from 28 June 2018 up to the next Annual General Meeting.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

6. RE-ELECTION OF DATO' ANG CHENG SIONG WHO RETIRES PURSUANT TO ARTICLE 122 OF THE COMPANY'S ARTICLES OF ASSOCIATION (RESOLUTION 3)

The Chairman informed that Dato' Ang Cheng Siong was due to retire pursuant to Article 122 of the Company's Articles of Association, and being eligible, has offered himself for re-election.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

7. RE-ELECTION OF DATO' IR. DR. KHOO PING SEN WHO RETIRES PURSUANT TO ARTICLE 122 OF THE COMPANY'S ARTICLES OF ASSOCIATION (RESOLUTION 4)

In accordance with Article 122 of the Company's Articles of Association, Dato' Ir. Dr. Khoo Ping Sen was due to retire and being eligible, has offered himself for re-election.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

8. RE-ELECTION OF MS TAN MING-LI WHO RETIRES PURSUANT TO ARTICLE 122 OF THE COMPANY'S ARTICLES OF ASSOCIATION (RESOLUTION 5)

In accordance with Article 122 of the Company's Articles of Association, Ms Tan Ming-Li was due to retire and being eligible, has offered herself for re-election.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

9. RE-APPOINTMENT OF AUDITORS MESSRS KPMG PLT FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION (RESOLUTION 6)

Messrs KPMG PLT who was retiring at the 5th AGM had given their consent to seek for re-appointment. It was noted that no other nominations had been received by the Company.

The Chairman thereupon invited questions from the floor. As there were no questions raised, the Chairman moved to the next Agenda.

10. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016 (RESOLUTION 7)

The last item on the Agenda was to seek authority from the shareholders for the allotment of shares pursuant to Section 75 and Section 76 of the Companies Act 2016.

11. POLLING PROCESS

The Chairman then invited a representative from Quantegic Services Sdn. Bhd., to explain the procedures for the conduct of the poll. The poll commenced at 10.30 a.m.

12. ANNOUNCEMENT OF POLL RESULTS

At 11.15 a.m., the Chairman called the Meeting to order to announce the poll results to the shareholders and proxies present.

12.1 To approve the payment of Directors Fees amounting to RM174,000 for the Financial Year Ending 31 December 2018

The poll result in respect of Resolution 1 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 2	189,038,100	100	0	0

As 189,038,100 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 1 duly passed:-

“THAT the payment of Directors fees amounting to RM174,000 for the financial year ending 31 December 2018 be approved.”

12.2 To approve the Directors Benefits of RM32,000 from 28 June 2018 up to the next Annual General Meeting

The poll result in respect of Resolution 2 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 2	189,038,100	100	0	0

As 189,038,100 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 2 duly passed:-

“THAT the Directors Benefits of RM32,000 from 28 June 2018 up to the next Annual General Meeting be approved.”

12.3 Re-election of Dato' Ang Cheng Siong who retires pursuant to Article 122 of the Company's Articles of Association

The poll result in respect of Resolution 3 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 3	189,008,100	100	0	0

As 189,008,100 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 3 duly passed:-

"THAT Dato' Ang Cheng Siong who retires as a Director of the Company pursuant to Article 122 of the Company's Articles of Association, and being eligible be hereby re-elected as Director of the Company."

12.4 Re-election of Dato' Ir. Dr. Khoo Ping Sen who retires pursuant to Article 122 of the Company's Articles of Association

The poll result in respect of Resolution 4 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 4	189,171,100	100	0	0

As 189,171,100 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 4 duly passed:-

"THAT Dato' Ir. Dr. Khoo Ping Sen who retires as a Director of the Company pursuant to Article 122 of the Company's Articles of Association, and being eligible be hereby re-elected as Director of the Company."

12.5 Re-election of Ms Tan Ming-Li who retires pursuant to Article 122 of the Company's Articles of Association

The poll result in respect of Resolution 5 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 5	189,171,100	100	0	0

As 189,171,100 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 5 duly passed:-

“THAT Ms Tan Ming-Li who retires as a Director of the Company pursuant to Article 122 of the Company’s Articles of Association, and being eligible be hereby re-elected as Director of the Company.”

12.6 Re-appointment of Auditors Messrs KPMG PLT for the ensuing year and to authorise the Directors to fix their remuneration

The poll result in respect of Resolution 6 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 6	189,098,100	99.9297	133,000	0.0703

As 189,098,100 shares representing 99.9297% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 6 duly passed:-

“THAT Messrs KPMG PLT be and is hereby re-appointed as Company’s Auditors and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.”

12.7 Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016

The poll result in respect of Resolution 7 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 7	189,038,100	99.968	60,000	0.0317

As 189,038,100 shares representing 99.968% of the total votes cast were in favour of the motion, the Chairman declared the following Resolution 7 duly passed:-

"THAT subject to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 issued pursuant to this resolution does not exceed ten per centum of the number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act, 2016."

13. CLOSURE

There being no other business for which due notice has been given, the Chairman declared the Meeting closed at 11.25 a.m.

CONFIRMED BY



CHAIRMAN

Dated: **27 AUG 2018**