

**ACOUSTECH BERHAD (496665-W)**  
(Incorporated in Malaysia)

Minutes of the **Eighteenth Annual General Meeting** of Acoustech Berhad (“the Company” or “Acoustech”) held at Connexion Conference & Event Centre (CCEC), Connexion @ Nexus, Level 3A, Spectrum Room, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Monday, 22 May 2017 at 11.20 a.m.

---

Present : as per attendance list

**1. OPENING**

The Chairman of the Meeting, Mr Leong Ngai Seng, welcomed everyone to the Meeting.

As the requisite quorum was present, Chairman called the Meeting to order.

The Notice convening the Annual General Meeting (“AGM”) having been circulated and advertised in the newspaper was, with the consent of the Meeting, taken as read.

The Chairman also extended an apology to the shareholders for the delay of the commencement of the Meeting.

The Chairman then informed the shareholders that pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the notice of the AGM would be decided by poll, which would be taken at the end of the Meeting after the Directors had dealt with questions from the shareholders.

**2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

2.1 The Chairman informed the Meeting that under the Companies Act, 2016 (“the Act”), the audited financial statements were required to be laid before the Meeting and was not an item requiring a resolution to be put to vote. The Audited Financial Statements for the financial year ended 31 December 2016, together with the Reports of the Directors and Auditors thereon, were tabled to the meeting for discussion.

2.2 Mr Ong Aye Ho (“Mr Ong”), a shareholder, raised the following questions: -

- (i) He commented that the Company’s dividend yield used to be high but there was no dividend declared in the previous two (2) years. He noted that based on the financial statements for the financial year ended 31 December 2016, the Company had distributable income but might not have sufficient cash flow for dividend payment. He also enquired whether the Company was expected to be profitable and be able to pay dividends in the forthcoming year.

- (ii) The percentage of unbilled sales and units sold in respect the property business.
- (iii) He noted the revenue for the fourth quarter of 2016 was higher at approximately RM50 million as compared to the corresponding period of 2015 and enquired whether the increase in revenue was seasonal and whether the Company would be able to maintain the quantum quarterly.
- (iv) Future plans for the property division in view that its existing land bank was relatively small and would only be able to last for two (2) to three (3) years.
- (v) He also asked when the land was acquired and noted that valuation was carried out in 2015.

2.3 The Chairman had replied to Mr Ong's enquires as follows: -

- (i) The Chairman concurred with Mr Ong's remarks that the Company had been paying good dividends in the past and clarified that the Company had paid a final dividend of 2.5 sen in the previous financial year. The Company did not recommend any dividend for 2016 in view of the low profit after tax, of approximately RM500,000, and that based on the previous dividend payout of approximately 50% of profit after tax, the amount available for dividend payment was inadequate. He added that Acoustech would preserve its cash for prudence purpose. The Board was cautiously optimistic with the Company's financial performance given many uncertainties with macro-economic factor such as subdued consumer confidence and restrictions in loan lending from bank and will consider dividend payment in the future if we performed well.
- (ii) The manufacturing division was facing great challenges especially in 2016. On the other hand, the property division was performing well. The Company had recorded turnover of approximately RM114 million in 2016, of which RM54 million was from manufacturing and RM60 million was from property, which was the main contributor. On the take up of property units under the Senibong 88 project, 40 units out of the total of 45 units had been sold or booked. Management is hopeful that all units would be fully sold by year end. The Group had yet to launch other property projects thus far. The unbilled sales were estimated at RM12 million and the take-up rate was near to 90% (pending execution of Sales and Purchase Agreements). The commendable profit contribution from the property division was however dragged down by the manufacturing division.
- (iii) The Board of Directors was cautiously optimistic with Acoustech's future financial performance, premised on the change of its core business to property development. The Company would focus on its property business, place more resources therein and aim to become a full-fledged property development company. The Chairman further added that the diversification of Acoustech's business into its current core business of property development and construction had worked well and that the property business would be able to buffer the low performance of its manufacturing division. The Board expect the property development and construction business to support the current business of the Group.

- (iv) Currently the Group owned a total of 79.4 acres of lands, of which 20 acres were fully developed and 59.4 acres were in the process of development. Acoustech would be launching two (2) commercial/industrial projects in 2017 i.e. Pengerang and Desa 88, which would take two (2) to three (3) years for development and with an estimated gross development value of RM223 million. The Group intends to enter into Memorandum of Understanding with its business partners, the details of which would be released via announcements to Bursa Malaysia Securities Berhad in due course. Acoustech also planned to launch fund raising exercises e.g. rights issue to increase its property development scale via acquisitions or joint ventures. With the success of its Senibong 88 project which had a gross development value of approximately RM100 million, the Group was confident of moving forward with the property business.

The Chairman further added that the Desa 88 project, with 40 commercial / industrial units, was expected to be launched in the third quarter of 2017. The Group needed more funds to move forward and would continue to focus on its core business of property development and manage the risks accordingly.

- (v) To Mr Ong's query on land acquisition, the Chairman clarified that the Company did not acquire the land but had instead acquired the shares in JM Cemerlang Sdn Bhd ("JMC") which was holding the land. The Company had carried out valuation in 2015 before the acquisition to ascertain the value of JMC's 38-acre land, which was now ready for launching. He added that Acoustech would strengthen its property arm and expected better profit margin therefrom, as compared with the margin from manufacturing, to support the Group's bottom-line. He further commented that Acoustech was heading towards the right direction i.e. going full force towards property development.

2.4 At this juncture, Mr Abraham David, a shareholder, suggested that Acoustech consider the utilisation of solar power in its property development. He commented that although the technology was not common in Malaysia, it would be worthy to explore the benefits of solar power.

2.5 The Chairman thanked the shareholder for his suggestion and informed that the Company's subsidiary in property development, Teras Eco Sdn Bhd, was keen in the concept of "green development". He added that Acoustech would consider changing its company name to reflect its current core business as well as the "eco" concept in future. The Group would explore the hybrid building system and also the incentives offered by the Government via the Green Building Index certification. The management believed in sustainable environment and had the expertise to embark on green development.

2.6 There being no other questions asked, the Chairman declared that the audited financial statements for the financial ended 31 December 2016 have, in accordance with the Act, been properly laid and received.

**3. ORDINARY RESOLUTION 1**  
**Payment of Directors' Fees Amounting to RM200,000 in respect of the Financial Year Ended 31 December 2016**

The Chairman proceeded with the second item of the agenda of AGM which was to approve the payment of Directors' Fees amounting to RM200,000.00 in respect of the financial year ended 31 December 2016.

The Chairman informed that the Directors of the Company would be pleased to answer any question pertaining to the agenda item. There being no question asked, Chairman informed that the poll for Ordinary Resolution 1 would be taken at the end of the Meeting.

**4. ORDINARY RESOLUTION 2**  
**Payment of Directors' Benefits of up to RM116,433 for the Financial Year Period from 1 January 2017 to 30 June 2018**

The Meeting then proceeded with the next item of the agenda which was to approve the payment of Directors' benefit up to RM116,433.00 for the financial year period from 1 January 2017 to 30 June 2018.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 2 would be taken at the end of the Meeting.

**5. ORDINARY RESOLUTION 3**  
**Re-Election of Mr. Leong Ngai Seng**

The Meeting then proceeded with the re-election of the Chairman, who would be retiring in accordance with Article 103 of the Constitution of the Company and had offered himself for re-election, as a Director of the Company.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 3 would be taken at the end of the Meeting.

**6. ORDINARY RESOLUTION 4**  
**Re-Election of En. Ahmad Rahizal Bin TYT Dato' Ahmad Rasidi**

The Meeting then proceeded with the next item on the agenda which was the re-election of En. Ahmad Rahizal bin TYT Dato' Ahmad Rasidi, who would be retiring in accordance with Article 103 of the Constitution of the Company and had offered himself for re-election, as a Director of the Company.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 4 would be taken at the end of the Meeting.

**7. ORDINARY RESOLUTION 5  
Re-Appointment of Auditors**

The Meeting then proceeded with the next item on the agenda which was the re-appointment Messrs BDO as the Auditors of the Company and to authorise the Directors to fix their remuneration.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 5 would be taken at the end of the Meeting.

**8. ORDINARY RESOLUTION 6  
Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016**

The Meeting then proceeded to the next item on the agenda which was the proposed resolution to obtain authority from Shareholder to authorize the Directors to allot and issue shares of the Company as pursuant to Section 75 and 76 of the Companies Act 2016.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 6 would be taken at the end of the Meeting.

**9. ORDINARY RESOLUTION 7  
Retention of Independent Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

The Chairman informed that the next proposed resolution was the retention of Mr Soon Kwai Choy (“Mr Soon”) who had served for more than nine (9) years in the Company, as an Independent Director of the Company in line with Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012.

The Shareholders further noted that the Nomination Committee and the Board had determined that all the independent directors were objective and independent in expressing their views and participated in deliberations and decision making of the Board and its Committee. The length of the independent directors’ services on the Board would not interfere with the exercise of independent judgement and their ability to act in the best interests of the Company. Thus the Board proposed to retain Mr Soon as an independent director of the Company.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 7 would be taken at the end of the Meeting.

**10. POLL PROCESS**

The Chairman informed that the Company had appointed Cik Noor Raihan Bt Talib and Cik Nur Lisa Bt Zamani from NS Leong & ST Low, Advocates & Solicitors, as the independent Scrutineers for the poll and invited the representative of the poll administrators, Tricor Investor & Issuing House Sdn Bhd, to brief the Meeting on the poll procedures.

The Meeting then proceeded to vote and was adjourned at 11.50 p.m. for counting of votes.

**11. ANNOUNCEMENT OF POLL RESULTS**

The Chairman reconvened the Meeting at 12.05 p.m. for the declaration of poll results as follows:-

Resolutions	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
<b>Resolution 1</b>	47,319,771	100.00	0	0	47,319,771	100.00
<b>Resolution 2</b>	47,317,771	99.996	2,000	0.004	47,319,771	100.00
<b>Resolution 3</b>	47,319,771	100.00	0	0	47,319,771	100.00
<b>Resolution 4</b>	47,319,771	100.00	0	0	47,319,771	100.00
<b>Resolution 5</b>	47,319,771	100.00	0	0	47,319,771	100.00
<b>Resolution 6</b>	47,319,771	100.00	0	0	47,319,771	100.00
<b>Resolution 7</b>	47,319,771	100.00	0	0	47,319,771	100.00

Based on the poll results, the Chairman declared that the Ordinary Resolution 1 to Ordinary Resolution 7 tabled at the Meeting were carried.

It was RESOLVED as follows:-

**ORDINARY RESOLUTION 1**

**Payment of Directors' Fees Amounting to RM200,000 in respect of the Financial Year Ended 31 December 2016**

“THAT the payment of Directors' Fees amounting to RM200,000.00 in respect of the financial year ended 31 December 2016 be and is hereby approved.”

**ORDINARY RESOLUTION 2**

**Payment of Directors' Benefits of up to RM116,433 for the Financial Year Period from 1 January 2017 to 30 June 2018**

“THAT the payment of Directors' benefits of up to RM116,433.00 for the financial year period from 1 January 2017 to 30 June 2018 be and is hereby approved.”

**ORDINARY RESOLUTION 3**

**Re-Election of Mr. Leong Ngai Seng**

“THAT Mr Leong Ngai Seng, the Director retiring in accordance with Article 103 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 4**

**Re-Election of En. Ahmad Rahizal bin TYT Dato' Ahmad Rasidi**

“THAT En. Ahmad Rahizal bin TYT Dato' Ahmad Rasidi, the Director retiring in accordance with Article 103 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 5**

**Re-Appointment of Auditors**

“THAT the retiring auditors, Messrs BDO, having indicated their willingness to continue in office be hereby re-appointed as the Auditors and the Directors be hereby authorised to fix their remuneration.”

**ORDINARY RESOLUTION 6**

**Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 and approvals from Bursa Malaysia for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company at any point of time AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**ORDINARY RESOLUTION 7**

**Retention of Independent Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

“THAT Soon Kwai Choy, an Independent Director who has served in the Company for more than nine (9) years be hereby retained as an Independent Director and to hold office until the next Annual General Meeting.”

**12. CLOSURE**

There being no other business the Meeting was closed at 12.10 p.m. with a vote of thanks to the Chair.

Signed as a correct record

CHAIRMAN

Date: 24 August 2017