

**HO HUP CONSTRUCTION COMPANY BERHAD**

[Registration No. 197301000497 (14034-W)]

(Incorporated in Malaysia)

MINUTES OF THE FORTY-SEVENTH ANNUAL GENERAL MEETING OF HO HUP CONSTRUCTION COMPANY BERHAD (“**HO HUP**” OR “**THE COMPANY**”) HELD AS A FULLY VIRTUAL MEETING VIA LIVE STREAMING BROADCAST FROM REDWOOD MEETING ROOM, HO HUP TOWER - AURORA PLACE, 2-09-01 - LEVEL 9, PLAZA BUKIT JALIL, NO 1, PERSIARAN JALIL 1, BANDAR BUKIT JALIL, 57000 KUALA LUMPUR ON FRIDAY, 28 MAY 2021 AT 2.30 P.M.

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- PRESENT** : Present at Broadcast Venue
- Dato’ Mah Siew Kwok (*Chairman*)  
(*Non-Independent Non-Executive Director*)  
Datin Chan Bee Leng  
(*Non-Independent Non-Executive Director*)  
Dato’ Wong Kit-Leong  
(*Chief Executive Officer / Executive Director*)  
Mr. Low Kheng Lun  
(*Non-Independent Non-Executive Director*)  
Mr. Lee Heng Aun  
(*Chief Financial Officer*)
- : Participated Remotely
- Tan Sri Datuk Seri Panglima Sulong  
Matjeraie  
(*Independent Non-Executive Director*)  
Dato’ Sri Thong Kok Khee  
(*Non-Independent Non-Executive Director*)  
Dato’ Wong Gian Kui  
(*Executive Director*)  
Mr. Boey Tak Kong  
(*Independent Non-Executive Director*)  
Mr. Chow Seck Kai  
(*Independent Non-Executive Director*)
- MEMBERS PRESENT** : As per Attendant List
- PROXY HOLDERS** : As per Attendant List
- INVITEES** : As per Attendant List
- IN ATTENDANCE** : Ms. Lim Shook Nyee  
(*Company Secretary*)
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**AGM 1/1** **OPENING ADDRESS BY THE CHAIRMAN**

The Chairman welcomed the shareholders, proxies and invitees to the Company’s 47<sup>th</sup> Annual General Meeting (“**47<sup>th</sup> AGM**” or “**Meeting**”) which was conducted fully virtual via live streaming and online remote voting using the Remote Participation and Electronic Voting (“**RPEV**”) facilities in accordance with Section 327 of the Companies Act 2016 and

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the Guidance Notes on the Conduct of General Meetings issued by Securities Commission of Malaysia.

**AGM 1/2 QUORUM & NOTICE OF MEETING**

With the requisite quorum present pursuant to Clause 65 of the Company's Constitution, the Chairman called the Meeting to order.

The Notice of 47<sup>th</sup> AGM dated 7 May 2021 as contained on pages 197 to 202 of the Company's Annual Report 2020 was duly circulated and taken as read.

**AGM 1/3 INTRODUCTION**

The Chairman then introduced the Directors and the Company Secretary who were present with him at the Broadcast Venue and those Directors who participated in the 47<sup>th</sup> AGM remotely from their respective locations.

He informed that the Group Chief Financial Officer, representatives from the Poll Administrator, Red Ape Solutions Sdn Bhd, the Scrutineers, Sharepolls Sdn Bhd were also present at the Broadcast Venue.

The Chairman further informed that representatives from the External Audits, Messrs. UHY had joined the Meeting remotely from their respective location.

**AGM 1/4 VOTING PROCEDURES**

The Chairman informed that the voting at the 47<sup>th</sup> AGM would be conducted by way of poll in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The polling would be conducted electronically using the RPEV facilities.

The Chairman highlighted that the Company had appointed Red Ape Solutions Sdn Bhd as the Poll Administrator, to conduct the e-polling process and Sharepolls Sdn Bhd as the Scrutineers to verify the poll results. The polling process for all the resolutions would be conducted after the completion and deliberation of the items to be transacted at the 47<sup>th</sup> AGM.

The Chairman also highlighted that both Mr Lee Chen Fee and Ms Yee Lai Kuan, shareholders of the Company, would be the proposer and seconder for all the resolutions to be tabled at the 47<sup>th</sup> AGM.

**AGM 1/5 PRESENTATION ON THE OVERVIEW OF THE KEY FINANCIAL PERFORMANCE AND BUSINESS OUTLOOK OF THE GROUP**

The Chairman informed the members that the Meeting would be preceded by a Company Presentation on its performance for financial year ended ("FYE") 31 December 2020.

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The Chairman then invited Dato' Wong Kit-Leong ("**Dato' Derek**") the Chief Executive Officer / Executive Director of the Company to present the overview on the key financial performance and business strategy of the Group covering the Key Highlights, Project Updates, Financial Information and Outlook 2021 to the members at the Meeting.

**AGM 1/6      AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FYE 2020") TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

The Chairman referred to item no. 1 on the agenda and explained that the Audited Financial Statements of the Company for the FYE 2020 together with the Reports of the Directors and the Auditors were for discussion only, as it did not require shareholders' approval under the provision of Sections 248 (1) and (2) of the Companies Act 2016.

**AGM 1/7      ORDINARY RESOLUTION 1  
APPROVAL OF THE PAYMENT OF DIRECTORS' FEES OF RM340,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

Agenda No. 2 was to seek the members' approval for the payment of Directors' Fees of RM340,000 for the financial year ending 31 December 2021, to be payable quarterly in arrears after each month of completed service of the Directors during the financial year ending 31 December 2021.

**AGM 1/8      ORDINARY RESOLUTION 2  
APPROVAL OF THE PAYMENT OF DIRECTORS' BENEFITS UP TO AN AMOUNT OF RM65,000 FROM 29 MAY 2021 UNTIL THE NEXT AGM OF THE COMPANY**

The next agenda was to approve the payment of Directors' Benefits up to an amount of RM65,000 from 29 May 2021 until the next AGM of the company. The Chairman explained that by virtue of Section 230 (1) of the Companies Act 2016, shareholders' approval would be required for any benefits to be paid to the Directors. The Directors benefits comprised the estimated meeting allowances of RM65,000 payable to the Non-Executive Directors.

**AGM 1/9      ORDINARY RESOLUTIONS 3 TO 5  
RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRED IN ACCORDANCE WITH CLAUSE 93 OF THE COMPANY'S CONSTITUTION:  
(I)     DATO' WONG GIAN KUI  
(II)    DATIN CHAN BEE LENG  
(III)  LOW KHENG LUN**

The Chairman proceeded to the next three (3) Ordinary Resolutions pertaining to the re-election of Directors who were retiring by rotation pursuant to Clause 93 of the Company's Constitution and being eligible, had offered themselves for re-election.

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**AGM 1/10    ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF MESSRS. UHY AS AUDITORS OF THE**  
**COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE**  
**BOARD OF DIRECTORS TO FIX THEIR REMUNERATION**

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The Chairman proceeded to the next Agenda in respect of the re-appointment of the retiring auditors, Messrs. UHY as auditors of the Company. The retiring auditors had expressed their willingness to continue in office.

**SPECIAL BUSINESSES**

**AGM 1/11    ORDINARY RESOLUTION 7**  
**CONTINUATION IN OFFICE OF MR. CHOW SECK KAI AS**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

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The Chairman explained that this agenda was a Special Business to consider and if thought fit, to pass Ordinary Resolution 7 on the continuing in office by Mr. Chow Seck Kai who has served for a cumulative term of more than nine (9) years since his appointment as an Independent Non-Executive Director on 17 March 2010, as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017.

**AGM 1/12    ORDINARY RESOLUTION 8**  
**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND**  
**76 OF THE COMPANIES ACT 2016**

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The next Agenda was a Special Business to consider and if thought fit, to pass an Ordinary Resolution to authorise the Directors to issue an aggregate number of shares not exceeding ten percent (10%) of the total number of issued shares of the Company pursuant to the Companies Act 2016.

This mandate would provide flexibility to the Board of Directors to issue and allot shares of up to ten percent (10%) of the share capital of the Company at any time, without convening a general meeting for any possible fund raising activities and placement of shares.

**AGM 1/13    ORDINARY RESOLUTION 9**  
**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE**  
**COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN**  
**PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF**  
**THE COMPANY**

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The Chairman briefed the Meeting that as disclosed in the Share Buy-Back Statement dated 7 May 2021, the proposed renewal of share buy-back authority ("**Proposed Renewal of Share Buy-Back Authority**") would enable the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company as may be determined by the Directors of the Company from time to time through

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Bursa Malaysia Securities Berhad. Details of the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 7 May 2021.

**AGM 1/14 ORDINARY RESOLUTION 10**  
**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") OF A REVENUE OR TRADING NATURE AS SET OUT IN SECTION 2.4 OF THE CIRCULAR TO SHAREHOLDERS DATED 7 MAY 2021 ("RRPT CIRCULAR")**

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Dato' Chairman briefed the members that as disclosed in the RRPT Circular dated 7 May 2021, all the Directors are regarded as interested parties in the Proposed Renewal of Existing Shareholders' Mandate as set out in Section 2.4 of the RRPT Circular. Accordingly, the Directors have abstained and will continue to abstain from all deliberations and voting in relation to Section 2.4 of the RRPT Circular. He then explained that he would however vote in his capacity as proxy in accordance with the instructions received from non-interested shareholders who had duly appointed him as their proxy.

**AGM 1/15 QUESTIONS AND ANSWERS ("Q&A") SESSION**

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Following the presentation of all the resolutions in the agenda, the Chairman declared the commencement of the Q&A session.

The questions and the corresponding responses from the Company to the members were attached to this Minutes as Annexure A.

**AGM 1/16 E-POLLING PROCESS**

The Chairman informed that the Meeting would proceed with the electronic poll voting i.e e-polling for the proposed Ordinary Resolutions. He then briefed the Meeting on the procedures on the electronic polling process.

The Meeting was adjourned at 3.20 p.m. for shareholders and proxies to cast their votes.

**AGM 1/17 ANNOUNCEMENT OF POLL RESULTS**

The Chairman resumed the Meeting at 3.45 p.m. to announce the polling results in respect of the resolution which had been tabled at the 47<sup>th</sup> AGM. He highlighted that the polling results had been verified by the Scrutineers, Sharepolls Sdn Bhd. The results were displayed on the screen and based on the polling results, the Chairman declared that all the resolutions as set out in the Notice of 47<sup>th</sup> AGM dated 7 May 2021 had been carried as follows and a copy of the polling results presented at the Meeting was attached to this Minutes as Annexure B:

The poll results in respect of the Ordinary Resolutions were as follows:

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**ORDINARY RESOLUTION 1  
APPROVAL OF THE PAYMENT OF DIRECTORS' FEES OF RM340,000  
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

Ordinary Resolution 1	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	261,941,080	99.66	892,601	0.34

*"THAT the payment of Directors' fees of RM340,000 for the financial year ending 31 December 2021, to be payable quarterly in arrears be approved."*

**ORDINARY RESOLUTION 2  
APPROVAL OF THE PAYMENT OF DIRECTORS' BENEFITS UP TO AN  
AMOUNT OF RM65,000 FROM 29 MAY 2021 UNTIL THE NEXT AGM  
OF THE COMPANY**

Ordinary Resolution 2	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	270,094,057	99.67	903,607	0.33

*"THAT the payment of Directors' benefits up to an amount of RM65,000 from 29 May 2021 until the next AGM of the Company be approved."*

**ORDINARY RESOLUTION 3  
RE-ELECTION OF DATO' WONG GIAN KUI WHO RETIRED IN  
ACCORDANCE WITH CLAUSE 93 OF THE COMPANY'S  
CONSTITUTION**

Ordinary Resolution 3	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	270,105,158	99.67	892,506	0.33

*"THAT Dato' Wong Gian Kui who retired pursuant to Clause 93 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."*

**ORDINARY RESOLUTION 4  
RE-ELECTION OF DATIN CHAN BEE LENG WHO RETIRED IN  
ACCORDANCE WITH CLAUSE 93 OF THE COMPANY'S  
CONSTITUTION**

	VOTES FOR	VOTES AGAINST
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Ordinary Resolution 4	No. of Shares	%	No. of Shares	%
	270,057,463	99.67	892,501	0.33

***"THAT Datin Chan Bee Leng who retired pursuant to Clause 93 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."***

**ORDINARY RESOLUTION 5**

**RE-ELECTION OF LOW KHENG LUN WHO RETIRED IN ACCORDANCE WITH CLAUSE 93 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 5	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	270,053,775	99.67	892,506	0.33

***"THAT Low Kheng Lun who retired pursuant to Clause 93 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."***

**ORDINARY RESOLUTION 6**

**RE-APPOINTMENT OF MESSRS. UHY AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION**

Ordinary Resolution 6	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	270,105,158	99.67	892,506	0.33

***"THAT Messrs. UHY be hereby re-appointed as Auditors of the Company for the next ensuing year to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."***

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 7**

**CONTINUATION IN OFFICE OF MR. CHOW SECK KAI AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

Ordinary Resolution 7	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	269,975,758	99.67	904,506	0.33

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***"THAT approval be and is hereby given to Mr. Chow Seck Kai who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."***

**ORDINARY RESOLUTION 8  
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 8	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	269,027,158	99.27	1,970,506	0.73

***"THAT subject always to the Companies Act 2016 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company at any time 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 10% of the total number of issued shares of the Company for the time being and that 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 (Bursa Securities) and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."***

**ORDINARY RESOLUTION 9  
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

Ordinary Resolution 9	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	270,997,259	100	405	0.00

***"THAT subject to the Companies Act 2016, provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company ("Company Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad***



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***as the Directors may deem fit, necessary and expedient in the interest of the Company ("Proposed Renewal of Share Buy-Back Authority"), provided that:-***

- i. the maximum aggregate number of Company Shares which may be purchased and/or held by the Company as treasury shares pursuant to the Proposed Renewal of Share Buy-Back Authority shall not exceed 10% of the total number of issued shares of the Company at any point in time of the said purchase(s); and***
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing Company Shares pursuant to the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained profits of the Company based on the latest audited financial statements available at the time of the purchase(s);***

***THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall continue to be in force until:-***

- i. the conclusion of the next Annual General Meeting ("AGM") at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or***
- ii. the expiration of the period within which the next AGM is required by law to be held; or***
- iii. the authority is revoked or varied by an ordinary resolution passed by the shareholders in general meeting,***

***whichever occurs first;***

***THAT the Company Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority may be dealt with by the Directors of the Company in their absolute discretion in all or any of the following manner:-***

- a. the shares so purchased may be cancelled; and/or the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or***
- b. part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or***
- c. transfer the shares, or any of the shares for the purposes of or under an employees' shares scheme; and/or***
- d. transfer the shares, or any of the shares as purchase consideration; and/or***

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- e. deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;*

***AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and enter into any instrument, agreements or arrangements with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.***

**ORDINARY RESOLUTION 10**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") OF A REVENUE OR TRADING NATURE AS SET OUT IN SECTION 2.4 OF THE CIRCULAR TO SHAREHOLDERS DATED 7 MAY 2021 ("RRPT CIRCULAR")**

Ordinary Resolution 10	VOTES FOR		VOTES AGAINST	
	No. of Shares	%	No. of Shares	%
	51,006,908	98.28	892,501	1.72

***"THAT, subject to the provision of the Listing Requirements of Bursa Securities, approval be and is hereby given to Ho Hup Construction Company Berhad and its subsidiaries ("Ho Hup Group") to enter into and to give effect to specified RRPTs of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the RRPT Circular, which are necessary for its day-to-day operations, to be entered into by Ho Hup Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;***

***THAT the Proposed Renewal of Existing Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Existing Shareholders' Mandate, shall only continue to be in force until:***

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or***
- (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must***

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***not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or***

***(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,***

***whichever is the earlier;***

***AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Existing Shareholders' Mandate."***

**AGM 1/18 CLOSURE**

There being no other business, the Chairman declared the Meeting closed at 3.55 p.m.

The Chairman thanked all members for their presence and participation at the fully virtual 47<sup>th</sup> AGM of the Company.

Confirmed as a correct record of proceedings,

SIGNED AS A CORRECT RECORD

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TAN SRI DATUK SERI PANGLIMA  
SULONG MATJERAIE  
CHAIRMAN

**47<sup>th</sup> Annual General Meeting of Ho Hup Construction Company Berhad  
Questions and Answers Session**

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1. Questions submitted by Chan Fung Han (Shareholder)

- (a) Note 7 Inventories - The Non-Current Freehold land and development cost had increased by RM83 million. What are those additions related to?
- (b) Page 128, Note 10 on Investment in Subsidiary Companies - The effective interest over Ho Hup (Myanmar) E&C Co., Ltd. had decreased from 70% to 50% (in exact 49.8%). Why the Company still regard it as a subsidiary and how the Company can demonstrate exercise of control over this subsidiary?
- (c) Page 142, Note 15 on Trade Receivables - Trade debtors increased by RM76 million especially at category "Past due more than 90 days" which had increased by RM130 million. Yet, the ECL impairment allowance was only RM4 million. Why the Group regards those past due amounts has such high recoverability? How much had been collected after year end?
- (d) Note 24 on Bank Borrowings - The Group's bank borrowings increased by RM155 million from RM355 million to RM510 million. How much headroom that the Group is still available to raise or utilise additional facilities? Any liquidity risk concerning the Group?
- (e) Any update to the joint venture between Ho Hup Dagang Jaya Sdn Bhd and Low Chee Group Sdn Bhd as approved at the Extraordinary General Meeting held in February 2021?
- (f) Inventories and other contract costs balance amounted to RM315 million and trade receivables balance amounted to RM280 million, why did the Auditors not consider these two line items as Key Audit Matters?

Answer to Comments/Questions :-

- (a) Mr Lee Heng Aun ("**Mr Lee**"), the Chief Financial Officer responded that part of the addition was mainly derived from the Kulai Laman Iskandaria project.
- (b) Mr Lee responded that as the Company could demonstrate the exercise of control over Ho Hup (Myanmar) E&C Co., Ltd. even with an equity interest of 49.8%. In this respect, Ho Hup (Myanmar) E&C Co. is considered as a subsidiary of the Company.
- (c) Mr Lee responded that the majority of the Trade Debtors were from the 18% of the gross development value entitlement from the Joint Development Agreement for Bukit Jalil City project which is due for collection in the financial year ending 31 December 2021.
- (d) Dato' Derek responded that the increase in bank borrowings was mainly attributable to the ongoing projects of the Group and additional bank facilities would only be secured, as and when required, to support any new projects to be secured by the Group.
- (e) Dato' Derek informed that the Management is currently in the midst of obtaining the necessary approvals for the development of the land.
- (f) Mr Lee responded that the Inventories, Other Contract Cost and Trade Receivables were considered as current and recoverable. He added that

Messrs. UHY had conducted a thorough audit review and verification on these balances and opined that the recoverability of these balances was justifiable.

2. Questions submitted by Lim Wee Jin (Shareholder)

- (a) The 50-acre Bukit Jalil City project with a gross development value (GDV) of RM4 billion whereby our group is entitled to 18% of the GDV in accordance with the Joint Development Agreement, how much has been recognised over the years? How much is going to be recognised in 2021, 2022 respectively?
- (b) With the gearing at 1.18 times as at 31 December 2020, what has the Management done to reduce the gearing?

Answer to Comments/Questions :-

- (a) Mr Lee informed that approximately 82% out of the total entitlement had been recognised and the remaining balance of 18% would be recognised by the financial year 2021 and 2022.
- (b) Dato' Derek responded that the gearing would gradually be reduced in the next two (2) years upon completion of the Kota Kinabalu and Kulai Laman Iskandaria projects.

3. Questions submitted by Gan Kok Seng (Shareholder)

- (a) Our dividend is missing for 20 years. When can we expect dividend from the Company?
- (b) Page 120 and the Annual Report 2020, can you briefly explain the reason for the addition in "Inventories and other contract costs"?

Answer to Comments/Questions :-

- (a) Dato' Derek responded that the Management took note on the request and would review the dividend policy in the near future.
- (b) Mr Lee responded that the increase in Inventories and Other Contract Costs was mainly attributable to the Kulai Laman Iskandaria project.

4. Question submitted by Chan Lai Yin (Shareholder)

Hope the Board of Directors will give the faithful shareholders shopping vouchers or food vouchers in this unprecedented times where we need some kind of aids.

Answer to Comment/Question :-

Dato' Derek informed that the Company is currently focusing on cost savings in view of the COVID-19 pandemic and therefore no shopping vouchers or food vouchers would be provided. He commented that the Management took note of the voucher suggestion.

5. Question submitted by Wong Yunn Uei (Shareholder)

Upon completion of the Pavillion Bukit Jalil project in year 2021, the Company will receive a total of RM266.4 million proceeds. How would these proceeds be utilised? Any plan to reward the shareholders with special dividend payment?

Answer to Comment/Question :-

Dato' Derek responded that the proceeds would be mainly utilised to pare down the Company's bank borrowings. He commented that the Management took note on the request for dividend as explained in item 3 (a) above.

6. Question submitted by Lim Thean Yeong (Shareholder)

How was the recent Standard Operating Procedures ("SOP") on the compulsory work-from-home for 40% of employees in the private sector affecting the Company?

Answer to Comment/Question :-

Dato' Derek responded that the Group would ensure compliance with all the SOP imposed by the Government and the Management is also managing the impacts arising from the COVID-19 pandemic and would ensure minimal impact to the business operations of the Group.