

HARN LEN CORPORATION BHD

Registration No. 200001000001 (502606-H)
(Incorporated in Malaysia)

MINUTES of the 22nd Annual General Meeting of **HARN LEN CORPORATION BHD** (“HARN LEN” or “the Company”) duly convened and held at Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru on **Tuesday, 21st June 2022** at 10.00 a.m.

- Present : As per attendance sheet
- Shareholders : Individuals - 6
By Proxy - 4
(of which Chairman acted for 3 shareholders)
- Directors : 11
- By Invitation : Mr. Wong Wen Tak (*Representative from Grant Thornton Malaysia PLT*)
Ms. Linda Tnay Syn Siang (*Representative from Grant Thornton Malaysia PLT*)
Mr. Stanley Khoo (*Representative from Imej Jiwa Communications Sdn. Bhd.*)
Ms. Ng Shu Wain (*Representative from Imej Jiwa Communications Sdn. Bhd.*)
- Chairperson : Puan Sri Datin Chan Pui Leorn (“The Chairperson”) took the Chair and called the Meeting to order.
- In Attendance : Mr. Low Yew Yern (*Chief Operation Officer*)
Mr. Loh Kah Tiong (*Chief Financial Officer*)
Ms. Wong Chee Yin (*Company Secretary*)
Ms. Wendy Mak Mei Ching (*Company Secretary*)

CHAIRPERSON’S ADDRESS

The Chairperson welcomed all the shareholders to the 22nd Annual General Meeting of the Company. She informed the shareholders that she is a member and a corporate representative for 10,500,000 shares. She represented in aggregate 11,545,000 shares which was equivalent to 5.68% of the total voting shares of the Company. She further disclosed that she was appointed by 3 shareholders as their proxies representing total 12,339,800 shares which was equivalent to 6.07% of voting rights at this meeting and they had given their individual instructions for the voting to be carried out.

QUORUM

There being the requisite quorum, the AGM was called to order.

NOTICE OF MEETING

The Notice convening the AGM as set out in the Annual Report, which had been properly dispatched to the Shareholders of the Company by email or post and duly advertised in a local newspaper, the New Straits Times, on 29 April 2022, was taken as read.

POLL VOTING

Before proceeding with the items of the agenda at the meeting, the Chairperson informed that the voting for all the resolutions to be considered at the meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Share Registrars, Messrs Tricor Investor & Issuing House Services Sdn. Bhd. was appointed to act as the Poll Administrator and Messrs Aldpro Corporate Services Sdn. Bhd. represented by Ms. Rachel Chua was appointed to act as Scrutineer to validate the votes casted at the meeting. However, to ensure the smooth conduct of this meeting, the poll on all resolutions would be conducted after the meeting has deliberated on all items on the agenda.

The Chairperson explained to the members present that Ordinary Resolutions 1 to 9 require a simple majority of more than 50% votes and the Special Resolution require at least 75% votes from those members in person or by proxies and voting at the meeting.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE DIRECTORS' AND THE AUDITORS' REPORTS THEREON

The Chairperson informed that the first item on the agenda was to receive the Audited Financial Statements ("AFS") of the Company and of the Group for the financial year ended 31 December 2021 together with the Directors' and Auditors' Reports, having been circulated to all the Shareholders of the Company within the Statutory period, were tabled for discussion.

Before the Board takes question from the floor in relation to the AFS, The Chairperson would like to inform that the Company has received a letter from the Minority Shareholders Watchdog Group (MSWG) on 13 June 2022.

Hence, the Chairperson invited Ms. Ng Shu Wain ("Ms. Ng"), the Investor Relationship Officer from Imej Jiwa Communications Sdn. Bhd. to read the question and the answer as per *Appendix A*. Before Ms. Ng read out the questions, she highlighted in her presentation on corporate events that took place in 2021 for Harn Len.

Further questions received from Ms. Lim Cian Yai, representative from MSWG, and the answer to the questions were provided as follows:-

- i. Impairment of Other Receivable amounting to RM13.6 million which are related to the agreement on the disposal of interest in a subsidiary, Gemilang Bumimas Sdn. Bhd. ("GBSB") in 2017.

Question:

Who is the external party involved?

Answer:

The external party refer to the contractor who manage the estate development and maintenance work in the past. We had terminated the contractor's contract as the contractor was not performing and not able to deliver their work.

Question:

Why was the Company have not been able to negotiate to offset the amount, what was the status of the transaction and any deposit received?

Answer:

Mr. Loh Kah Tiong, the Chief Financial Officer replied that the Company is trying to negotiate the off-set of other receivables, being the GBSB's disposal proceed, with the supplier. The disposal transaction was completed but disposal proceed has not been received.

- ii. *Question:* Other investments in quoted securities was RM5 million as compared to RM3.8 million in previous financial year. Which are the corporations that Harn Len had invested in and what is the objective of the investment?
- Answer:* The Company invested in investment companies i.e. Kenanga Investment Bhd, Affin Bank Bhd and company privatised by Syed Mokhtar and the objective is to fully utilized the Company's cash and finance position.
- Question:* What is the return from the investment?
- Answer:* There was a gain of RM1.1 million.
- iii. *Question:* Any plan to dispose of non-core assets?
- Answer:* The Company is in negotiation to dispose a factory of which the proceeds to be utilized for the Group's core business but has no intention to dispose the other investment properties i.e. the shophouses and a piece of land situated near the Company.
- Question:* What will be the estimated value?
- Answer:* The estimated value is over RM20 million and proceeds from disposal is estimated between RM4 million to RM5 million.
- iv. *Question:* The remuneration of the directors received is RM5.1 million to RM5.2 million every year. The Company has not performing in terms of net profit since 2018, except for year 2020. Why are the Executive Directors receive a high remuneration?
- Answer:* Remuneration Committee ("RC") Chairman, Encik Mohamed Akwal replied that the Executive Directors' remuneration has not increased and the Company has curtailed any new payment including increment and bonuses over the years. Mr. Low Yew Yern, the Chief Operation Officer informed that the Group will evaluate the remuneration based on Group's performance.
- Question:* What is the KPI or performance benchmark that the RC take into considerations of the performance evaluation of the Executive Directors?
- Answer:* Encik Mohamed Akwal replied that each Executive Director has their respective KPIs based on job requirement.
Mr. Low Yew Yern further mentioned that each Executive Director has achieved their respective KPIs based on their performance.

Without further queries, the Chairperson declared that the Audited Financial Statements for the financial year ended 31 December 2021 together with Directors' and Auditors' Reports thereon as properly laid before the meeting and duly received by the Shareholders.

**2. ORDINARY RESOLUTION 1:
DIRECTORS' FEES TO INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2021**

The Chairperson proposed the motion "THAT the Directors' Fees of RM200,000.00 for the financial year ended 31 December 2021 be hereby approved" to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

**3. ORDINARY RESOLUTION 2:
DIRECTORS' BENEFITS PAYABLE TO THE DIRECTORS FOR THE PERIOD 1 JULY 2022 TO
30 JUNE 2023**

The Chairperson proposed the motion "THAT the Directors' benefits payable up to an amount of RM200,000.00 for the period **1 July 2022 to 30 June 2023** be hereby approved" to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

**4. ORDINARY RESOLUTIONS 3, 4 AND 5:
RE-ELECTION OF DIRECTORS**

Since the Chairperson was the retiring director under this item of the Agenda, the Chairperson proposed to elect Mr. Chan Chong Wey ("Mr. Chan") to chair the meeting. As there was no objection from the shareholders, Mr. Chan took the chair and informed that Puan Sri Datin Chan Pui Leorn had offered herself for re-election

4(i). Ordinary Resolution 3: Puan Sri Datin Chan Pui Leorn – Clause 76(3)

For Agenda item 4(i), Mr. Chan proposed the motion "That Puan Sri Datin Chan Pui Leorn retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected Director of the Company" to the meeting for consideration.

As there was no question, Mr. Chan handover the chair back to the Chairperson to continue with the next item on the Agenda.

4(ii). Ordinary Resolution 4: Mr. Low Kuek Kong – Clause 76(3)

For Agenda item 4(ii), the Chairperson proposed the motion "That Mr. Low Kuek Kong retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected Director of the Company" to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

4(iii). Ordinary Resolution 5: Mr. Chan Chong Wey – Clause 78

For Agenda item 4(iii), the Chairperson proposed the motion "That Mr. Chan Chong Wey retiring pursuant to Clause 78 of the Constitution of the Company and being eligible, be re-elected Director of the Company" to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

4(iv). Brig. Jen. (B) Dato Ali Bin Haji Musa – Clause 76(3)

For Agenda item 4(iv), Brig. Jen. (B) Dato Ali Bin Haji Musa who retired pursuant to Clause 76(3) of the Constitution of the Company, had stated that he did not wish to seek re-election, and thus it was noted “THAT Brig. Jen. (B) Dato Ali Bin Haji Musa (NRIC No. 420726-01-5625) retired as Independent Non-Executive Director of the Company after the conclusion of the Twenty-Second Annual General Meeting held on 21 June 2022”.

5. ORDINARY RESOLUTION 6:

RE-APPOINTMENT OF MESSRS GRANT THORNTON MALAYSIA PLT AS AUDITORS OF THE COMPANY

The next agenda was on the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company.

The Shareholders were informed that the Board has assessed the suitability and independence of Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2022.

The Chairperson proposed the motion “THAT the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceed to the next item on the Agenda.

6. ORDINARY RESOLUTION 7:

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR. LAW PIANG WOON

The Chairperson proposed the motion “THAT approval be and is hereby given to Mr. Law Piang Woon who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company till the next Annual General Meeting” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceed to the next item on the Agenda.

7. ORDINARY RESOLUTION 8:

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairperson proposed the motion “THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approval of the relevant regulatory bodies, the Directors be and are hereby authorized to issue and allot shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed ten percent (10%) of the issued capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval of the Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is evoked or varied by a resolution of the Company at a general meeting” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

**8. ORDINARY RESOLUTION 9:
RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

The Chairperson proposed the motion "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (a) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;

- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

9. ANY OTHER BUSINESS

The Chairperson informed that the Company has not received any notice to deal with any other business for which due notice was required to be given, pursuant to the Companies Act 2016.

CONDUCT OF POLL

Having dealt with all the items of the agenda, the meeting proceeded to vote on Resolutions 1 to 9 by poll and she invited the Polling Administrator to brief the polling process to the members for casting of votes.

The Chairperson informed that the members and proxy holders who had not voted, to cast their votes accordingly. She then declared the voting session closed and adjourned the meeting for 20 minutes for counting of votes.

ANNOUNCEMENT OF POLL RESULTS

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairperson resumed the meeting after 20 minutes for the declaration of the results of the poll. The poll results which were verified by the Scrutineers, and announced to Bursa Securities were disclosed in Appendix B.

Based on the poll result, the Chairperson declared all Ordinary Resolutions 1 to 9 carried.

CLOSE OF MEETING

There being no other business, the Meeting ended at 11.15 a.m. with a vote of thanks to the Chair.

Confirmed as a Correct Record,

PUAN SRI DATIN CHAN PUI LEORN

Chairperson

Dated: 3 August 2022

RESPONDED QUESTIONS FROM MINORITY SHAREHOLDERS WATCHDOG GROUP (MSWG) AT 22ND AGM

No.	Question	Company's Response
1.	<p>The Group remained committed to sticking to its Strategic Turnaround Plan and better preparing itself to achieve sustainable profits in the near future. It is now starting to see the fruits of its Strategic Turnaround Plan initiated in 2019. (page 13 of Annual Report (AR) 2021)</p> <p>a) What is the status of the Group's Strategic Turnaround Plan implemented more than 2 years ago? What have you achieved since then?</p> <p>b) When does the Group expect to turnaround?</p>	<p>We have been making steady but cautious progress towards our Strategic Transformation Plan. Since the unveiling of our Plan, we have:</p> <ul style="list-style-type: none"> • monetised various shophouses, industrial factories and leasehold properties to focus on our plantation segment; • completed the disposal of loss-making assets - Lian Hup Estate and Lian Hup Oil Mill; • ceased operations of our loss-making hotel and transport operations; and • reduced our liabilities by 19% to RM138.3 million in FYE2021 after reducing bank borrowings, lease liabilities, and trade payables. <p>We are committed towards the Plan and will keep the public updated as and when there are any major developments.</p> <p>External factors such as labour shortage and weather conditions will be a large determinant of this. Nevertheless, we</p>

		target to return to profitability by Q4 of 2022.
2.	<p>In FY2021, the Group's revenue increased 80% to RM219.4 million mainly due to higher CPO and PK prices and better sales volume. However, it recorded a loss before tax of RM23.2 million mainly attributable to lower profits from the Plantation Segment, losses in the Property and Other Segments, and a one-off impairment of other receivables. Losses incurred from the property operations were largely due to rental waivers and low occupancy rates, and impairment of other receivables. (page 22 of AR 2021).</p> <p>a) How much were the rental waivers in FY2021 vs FY2020?</p> <p>b) What was the average occupancy rate for your commercial properties and industrial properties in FY2021?</p>	<p>The rental waivers were RM1.79m in FY2021 as compared to RM0.18m, in FY2020.</p> <p>The average occupancy rate for FY2021 was 87%.</p>
3.	<p>In FY2021, the Plantation Segment saw revenue increase 83% to RM217.2 million. However, the higher maintenance and operating costs, such as costs of logistics, labour, fertilisers and herbicides, have put pressure on EBITDA. The Plantation Segment reported an EBITDA of RM26.6 million in FY2021. The production indicators, quarterly average selling prices of CPO and PK, and other key indicators of the plantation operations during FY2021, compared to FY2020 are as follows: (page 24 of AR 2021)</p> <p>a) What are the reasons for the huge decline in yield per mature hectare from 13.57 MT in FY2018 to only 4.90 MT in FY2021?</p>	<p>We were primarily faced with labour shortages. Harn Len had less workers available to harvest the FFB available. Therefore, it inevitably led to a huge decline in our production yield and</p>

	<p>b) What are the chances of improving the yield back to previous highs?</p> <p>c) What was the average utilisation rate of your palm oil mill in FY2021?</p>	<p>outputs.</p> <p>This is an issue affecting the whole industry – as the Malaysian Palm Oil Association (MPOA) recently reported, the local planters’ 30 to 40-day harvesting intervals were now the norm versus the 10 to 15-day intervals previously.</p> <p>If our labour shortage issues are alleviated, we are optimistic that yield will return to previous levels.</p> <p>Our average utilisation rate of our palm oil mill in FY2021 was 44%.</p>
<p>4.</p>	<p>The Property and Other Segment mainly derives its revenue from rental income from commercial and industrial properties, including the Group’s main building at Johor Tower. The overall rental market continued to face challenges in 2021 due to MCOs and uncertainty arising from the pandemic. The segment recorded revenue of RM2.2 million in FY2021, down 27% from RM3.0 million in FY2020. Overall, the segment reported an EBITDA loss of RM4.7 million in FY2021. (page 25 of AR 2021)</p> <p>What are your plans for these underperforming assets?</p>	<ul style="list-style-type: none"> • We have a dedicated marketing team promoting the commercial building. • There are various factors to consider before we accept a tenant, in particular the rental rate. • We are devising an internal plan to turn around this business.

5.	<p>In 2017, the Company disposed of its 100% interest in a subsidiary, Gemilang Bumimas Sdn. Bhd., for RM13.6 million cash to an external party whose related party is also a supplier to the Group and the Company. The Group has been withholding payment to the supplier and the amount payable is in excess of the sales proceeds receivable. During the year, the Directors of the Company have not been able to negotiate the right to offset the balance and therefore have decided to fully impair the amount receivable. Negotiation with the supplier is still on-going subsequent to the balance sheet date and offset agreement has not been reached as at the date of the report. (page 154 of AR 2021)</p> <p>What is the latest status of the negotiation with the supplier? Do you expect to recover the RM13.6 million?</p>	<ul style="list-style-type: none">• We are in constant communication with the supplier as we seek to reach an amicable solution on this matter. Negotiation is still on-going.• The figure involved is substantial and we are doing our best to recover it. We hope to provide further developments and report a positive outcome.
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APPENDIX B

No.	Resolution(s)	Vote For		Vote Against		Results
		No. of Units	%	No. of Units	%	
1.	<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees of RM200,000 to Independent Non-Executive Directors for the financial year ended 31 December 2021.	129,770,175	100.0000	0	0.0000	Carried
2.	<u>Ordinary Resolution 2</u> To approve the payment of Directors' benefits payable to the Directors up to RM200,000 for the period 1 July 2022 to 30 June 2022.	129,770,075	99.9999	100	0.0001	Carried
3.	<u>Ordinary Resolution 3</u> To re-elect Puan Sri Datin Chan Pui Leorn who retire in accordance with Clause 76(3) of the Constitution of the Company.	129,770,175	100.0000	0	0.0000	Carried
4.	<u>Ordinary Resolution 4</u> To re-elect Mr. Low Kuek Kong who retire in accordance with Clause 76(3) of the Constitution of the Company.	129,770,075	99.9999	100	0.0001	Carried
5.	<u>Ordinary Resolution 5</u> To re-elect Mr. Chan Chong Wey who retire in accordance with Clause 78 of the Constitution of the Company.	129,770,175	100.0000	0	0.0000	Carried
6.	<u>Ordinary Resolution 6</u> To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration.	129,770,175	100.0000	0	0.0000	Carried
7.	<u>Ordinary Resolution 7</u> Continuing in office as Independent Non-Executive Director: - Mr. Law Piang Woon	129,769,975	99.9998	200	0.0002	Carried
8.	<u>Ordinary Resolution 8</u> Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	129,770,175	100.0000	0	0.0000	Carried
9.	<u>Ordinary Resolution 9</u> Proposed Renewal of Share Buy-Back.	129,770,175	100.0000	0	0.0000	Carried