

**RHONE MA HOLDINGS BERHAD**  
[Registration No. 201401040077 (1116225-A)]

MINUTES OF THE NINTH ANNUAL GENERAL MEETING OF RHONE MA HOLDINGS BERHAD HELD AT ATLANTA EAST, LEVEL 3, HOTEL ARMADA PETALING JAYA, LOT 6, LORONG UTARA C, SECTION 52, 46200 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 13 JUNE 2023 AT 10.00 A.M.

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**PRESENT**

**DIRECTORS**

Dato' Hamzah Bin Mohd Salleh  
*(Chairman of the Meeting and  
Independent Non-Executive Director)*

Dr Lim Ban Keong - Shareholder and Corporate Representative of  
*(Group Managing Director)* Blue Advantage Sdn. Bhd.

Mr Foong Kam Weng - Shareholder  
*(Executive Director)*

Dr Yip Lai Siong - Shareholder  
*(Executive Director)*

Mr Martin Jeyaratnam A/L Thiagaraj - Shareholder  
*(Independent Non-Executive Director)*

Mr Teoh Chee Yong  
*(Independent Non-Executive Director)*

Puan Rahanawati Binti Ali Dawam - Shareholder  
*(Independent Non-Executive Director)*

**IN ATTENDANCE**

Ms Tan Ai Ning - Company Secretary

**SHAREHOLDERS**

As per the Attendance List

**PROXIES**

As per the Attendance List

**BY INVITATION**

As per the Attendance List

**RHONE MA HOLDINGS BERHAD**

**[Registration No. 201401040077 (1116225-A)]**

**Minutes of the Ninth Annual General Meeting held on 13 June 2023**

The shareholders, proxies and invitees who attended the Meeting are set out in the Attendance Lists attached and shall form an integral part of this Minutes.

**1. CHAIRMAN**

The Chairman, Dato' Hamzah Bin Mohd Salleh welcomed all shareholders, proxy holders and invitees to the Ninth Annual General Meeting ("**9th AGM**") of the Company and introduced his fellow Board members and the Company Secretary to the shareholders.

The Chairman then invited Dr Lim Ban Keong ("**Dr Lim**"), the Managing Director of the Company and its subsidiaries (collectively referred to as "**the Group**") and Mr Calvin Chan Yan San, the Finance Director of the Group to give a brief presentation of the Group's corporate overview, covering the milestone, group structure, key events, business updates and expansion plans, business performances, products and services offered as well as financial performance.

**2. QUORUM**

The Company Secretary confirmed that a quorum was present pursuant to the Constitution of the Company.

With the requisite quorum being present, the Chairman called the meeting to order at 10.40 a.m.

**3. SUMMARY OF PROXIES RECEIVED**

As part of good corporate governance, the Company Secretary informed the meeting that the Company had received in total 12 proxy forms from shareholders for a total of 84,407,701 ordinary shares representing 38.15% of the total issued shares of the Company.

**4. RIGHTS OF SHAREHOLDERS/PROXIES**

The Chairman of the meeting informed the shareholders/proxies that they are encouraged to participate, speak and vote in this meeting.

**5. NOTICE**

With the consent of the meeting, the Notice convening the meeting having been circulated for the prescribed period was taken as read. The Chairman then proceeded with the business of the meeting.

**6. RESOLUTIONS TO BE VOTED BY POLL**

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 9th AGM must be voted by poll. Pursuant to Clause 77 of the Constitution of the Company, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the 9th AGM. The Chairman of the meeting also informed the meeting that Messrs Kalis & Co has been appointed as the Independent Scrutineers to facilitate the polling process.

The Chairman further informed that the meeting shall go through all the motions and proceed with the polling process after the last motion has been tabled. At the request of the Chairman, the Company Secretary then briefed the meeting on the polling procedure.

After the briefing on the polling procedure by the Company Secretary, the Chairman then proceeded with the resolutions set in the Notice of the 9th AGM.

**7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022 together with the Directors' and Auditors' Report thereon were tabled at the meeting for discussion.

The Chairman of the meeting informed the meeting that the Audited Financial Statements for the financial year ended 31 December 2022 were meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders of the Company.

The Chairman of the meeting then invited questions from the floor and took cognizance of the following enquiries, proposals and/or suggestions by shareholders and proxies during the meeting:-

**A. Cause for the increase in inventories**

- The Russia-Ukraine conflict has created a supply chain disruption which led to a higher purchasing cost. As a result, as good practice to ensure sustainable level of inventories to support business operations and reduce the lead time in delivery of products to customers.
- The increase is mainly inventories for animal health products and food ingredients as buffer against supply chain disruptions worldwide and high commodity prices brought about by the Russia-Ukraine conflict.

**B. Joint venture between Kulim (Malaysia) Berhad (“Kulim”) and A2 Fresh Holdings Sdn Bhd (“A2 Fresh”) (“Joint Venture”)**

- The Joint Venture encompasses three (3) parties, namely Kulim, A2 Fresh and the East Coast Economic Region Development Council (“**ECERDC**”). ECERDC being a key component of the dairy project, addresses the concerns of potential conflicts within the Joint Venture through the establishment of policies and agreements.
- Concurrently, the three (3) parties have inked a master lease agreement with the State Government of Johor, with the State Secretary Johore (Incorporation) (“**SSI**”) for the lease of a piece of land in the Mukim and District of Mersing, State of Johor.
- The ECERDC has made an investment of approximately RM80 million in farm infrastructures and constructions. Meanwhile, the Group’s commitments include the upstream and downstream operations of dairy cattle farming, milk processing and marketing of relevant products. In addition, the Group has also set achievable key performance indicators (“**KPI**”).
- There is certain amount of investment required by ECERDC for the farm to operate smoothly and to achieve the stated KPIs. The initial phase of investment requires RM40 million, the Group is currently capable of managing the investment using internally generated funds. However, the Group is also open to exploring external funding options from financial institutions to support the project.

**C. Is master lease agreement on concession or rental basis?**

- The agreement is for a 30-year lease.

**D. Policy and strategy for investments**

- When considering business expansion activities, the Group exercises due care in evaluating the potential risks and benefits associated with the investments. The Group assesses investments and will continuously monitor the financial and operational performance of all new investments and take appropriate steps to address any business issues.

**E. Capital commitment for the Joint Venture**

- For the initial phase of the project, the Company is expected to invest about RM14 million into the Joint Venture. The Company would only be required to inject RM7 million as the remaining is also the responsibilities of the partners.

**F. Would the Group consider exploring goat product?**

- The Group primary focus is on dairy farming. However, it is a promising industry for the Group to explored into, the Group will conduct a feasibility study into the investment and returns. The Group supplies equipment, feeds, medicines and vaccines to goat farms too.
- The Company will make the necessary announcements as and when there are plans to expand into new products.

**G. Is the Company able to secure contract farmers for the dairy farm?**

- There are no contract farmers for the dairy farming. The Company has been implementing the Build, Train, Handover (BTH) approach to a few farms which is how the Company helps developing the industry and generate revenues aside from its own dairy farm with 300 cattle. Most of the income is derived from the Total Solution Provider model such as lab services, research and development services, feeds, medicines and equipment.

**H. Does the Group intend to venture into producing own pet foods?**

- The Company is aware of the potential but has no such plan at the moment.

**I. Status update on the utilisation rate on the Good Manufacturing Practices–compliant (GMP) plant**

- The utilisation rate still remains unchanged at 30% to 40% due to challenges faced in the industry, particularly swine fever and poultry farming, which have resulted in non-significant growth in feed additive products. It was noted that 50% of the utilisation rate is dependent on the certification of GMP and the Company had obtained acceptable status from the National Pharmaceutical Regulatory Agency. Consequently, the Company has plans to move all production to its GMP plant in Nilai.
- The Company is unable to make the full utilisation rate for this year.

**J. Issue in recruiting fresh graduates**

- Recruitment has proved to be challenging due to the limited availability of university courses related to the Group's industry and the success of recruitment is heavily dependent on the interest of the graduates. As a total solution provider company, the Group welcomes graduates from various courses, not solely limited to veterinary courses, for which the Company is reputable for. Nonetheless, the Group places high priority on providing effective training to the new recruits especially in the farming industry.

**K. Does the Group foresee an impairment on the inventories as the decrease on demand of Covid-19 test kits?**

- Unlike the inventories for the food ingredients and animal health products, the Group are aware that the demand for the Covid-19 test kits is declining, hence, the inventories are not maintained at the necessary levels required for supply to clinic and medical institutions.

**L. Dividend trend and dividend policy**

- The dividend trend of the Company has remained consistent since 2019. In 2015 and 2018, the Company has rewarded shareholders with higher dividends and is currently intending to conserve more internal funds for future growth.
- The Company does not have a dividend policy as the Company would like to declare dividends to shareholders without any constraints.

**M. Reasons for the decrease in profit on food ingredient and strategy to mitigate the decline**

- The Group's profit fluctuation was directly impacted by US dollar exchange, logistic issue and Ukraine-Russia conflict. Nonetheless, the Group will continue monitor the dairy business and the revenue would expect to increase.

**N. Business model of the Group**

- The Group's business includes the distribution of products from third party products as well as own products. The Group create its own products with proprietary brands by sourcing raw materials through import/export and manufacturing them from scratch. It has contributed approximately 17%-18% of the total revenue in the previous year.

**O. Exports to Taiwan and Thailand**

- For Thailand, the Group mainly exports feed additives and disinfectants.
- For Taiwan, only disinfectants are exported.

**P. Impairment assessment of carrying cost of investments in subsidiaries**

- The External Auditors, Messrs BDO PLT reviewed the cost of investment in subsidiaries amounting to RM95,485,029 to ensure there is no indication of impairment. Management used forecasted future cash flows based on value in use model to compute the present value of forecasted future cash flows for these subsidiaries to determine if there is any impairment loss required on the costs of investment in these subsidiaries.

**8. ORDINARY RESOLUTION 1**  
**FINAL SINGLE-TIER DIVIDEND OF 1.0 SEN PER ORDINARY SHARE**

The meeting was informed that the first resolution of the Agenda was to approve the payment of Final Single-Tier Dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022.

**9. ORDINARY RESOLUTION 2**  
**DIRECTOR'S FEE TO DATO' HAMZAH BIN MOHD SALLEH, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The Chairman, being an interested party in the resolution had invited Dr Lim to take over the Chair.

The meeting was informed that the next resolution on the agenda is to approve the payment of Director's fee of Ringgit Malaysia Ninety Thousand (RM90,000.00) to Dato' Hamzah Bin Mohd Salleh, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023.

Dr Lim handed the Chair back to the Chairman to continue with the meeting proceeding.

**10. ORDINARY RESOLUTION 3**  
**DIRECTOR'S FEE TO MR TEOH CHEE YONG, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The meeting was informed that the next resolution on the agenda is to approve the Director's fee of Ringgit Malaysia Sixty Thousand (RM60,000.00) to Mr Teoh Chee Yong, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023.

**11. ORDINARY RESOLUTION 4**  
**DIRECTOR'S FEE TO MR MARTIN JEYARATNAM A/L THIAGARAJ, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The meeting was informed that the next resolution on the agenda is to approve the Director's fee of Ringgit Malaysia Sixty Thousand (RM60,000.00) to Mr Martin Jeyaratnam A/L Thiagaraj, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023.

**12. ORDINARY RESOLUTION 5**

**DIRECTOR'S FEE TO PUAN RAHANAWATI BINTI ALI DAWAM, THE  
NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS  
SUBSIDIARIES**

The meeting was informed that the next resolution on the agenda is to approve the Director's fee of Ringgit Malaysia Eighty Thousand (RM80,000.00) to Puan Rahanawati Binti Ali Dawam, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023.

**13. ORDINARY RESOLUTION 6**

**DIRECTORS' BENEFITS PAYABLE TO THE NON-EXECUTIVE  
DIRECTORS OF THE COMPANY**

The meeting was informed that the next resolution on the agenda is to approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company amounting to Ringgit Malaysia Nineteen Thousand and Two Hundred (RM19,200.00) until the next Annual General Meeting of the Company.

**14. ORDINARY RESOLUTION 7**

**RE-ELECTION OF DIRECTOR – DR LIM**

The meeting was informed that in accordance with Clause 95 of the Constitution of the Company, Dr Lim retired from the Board and being eligible, offered himself for re-election.

**15. ORDINARY RESOLUTION 8**

**RE-ELECTION OF DIRECTOR – MR FOONG KAM WENG**

The meeting was informed that in accordance with Clause 95 of the Constitution of the Company, Mr Foong Kam Weng retired from the Board and being eligible, offered himself for re-election.

**16. ORDINARY RESOLUTION 9**

**RE-APPOINTMENT OF AUDITORS**

The meeting was informed that the next resolution on the Agenda is on the re-appointment of Messrs BDO PLT as Auditors of the Company, whom have indicated their willingness to continue in office.

The meeting was further informed that the Audit and Risk Management Committee and the Board of Directors had reviewed the effectiveness of Messrs BDO PLT and recommended the re-appointment.



**17. ORDINARY RESOLUTION 10**

**AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**

The meeting was informed that the Special Business to be transacted at the meeting is to consider and if thought fit, pass an ordinary resolution to authorise the Directors to allot and issue an aggregate number of shares not exceeding ten per centum (10%) of the total issued shares of the Company pursuant to Section 76 of the Companies Act 2016.

**18. ANY OTHER BUSINESS**

The Chairman informed the meeting that there was no other business to be transacted of which due notice had been given in accordance with the Constitution of the Company and the Companies Act 2016.

**19. POLLING PROCESS**

After all the resolutions have been tabled to the meeting, the Chairman directed for the closing of the registration of the shareholders and proxies for the meeting. At the invitation of the Chairman, the Company Secretary briefed the meeting on the polling process.

The Chairman then adjourned the meeting at 11.46 a.m. for the Scrutineers to tabulate the results of the poll. The meeting resumed at 12.18 a.m. for the declaration of the results of the poll.

**20. ORDINARY RESOLUTION 1**

**FINAL SINGLE-TIER DIVIDEND OF 1.0 SEN PER ORDINARY SHARE**

The Chairman read the result of the poll for Ordinary Resolution 1 as follows:-

<b>Votes in Favour</b>		<b>Votes Against</b>	
<b>No of Votes</b>	<b>%</b>	<b>No of Votes</b>	<b>%</b>
101,523,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 1 was carried and RESOLVED:-

That a Final Single-Tier Dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2022 be and is hereby declared payable on 17 July 2023 to shareholders whose names appear on the Record of Depositors at the close of business on 30 June 2023.

**RHONE MA HOLDINGS BERHAD****[Registration No. 201401040077 (1116225-A)]****Minutes of the Ninth Annual General Meeting held on 13 June 2023****21. ORDINARY RESOLUTION 2****DIRECTOR'S FEE TO DATO' HAMZAH BIN MOHD SALLEH, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The Chairman read the result of the poll for Ordinary Resolution 2 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,521,906	99.9978	2,190	0.0022

Based on the above result, the Chairman declared that Ordinary Resolution 2 was carried and RESOLVED:-

That the payment of Director's fee of Ringgit Malaysia Ninety Thousand (RM90,000.00) to Dato' Hamzah Bin Mohd Salleh, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023 be and is hereby approved.

**22. ORDINARY RESOLUTION 3****DIRECTOR'S FEE TO MR TEOH CHEE YONG, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The Chairman read the result of the poll for Ordinary Resolution 3 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,523,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 3 was carried and RESOLVED:-

That the payment of Director's fee of Ringgit Malaysia Sixty Thousand (RM60,000.00) to Mr Teoh Chee Yong, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023 be and is hereby approved.

**23. ORDINARY RESOLUTION 4****DIRECTOR'S FEE TO MR MARTIN JEYARATNAM A/L THIAGARAJ, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The Chairman read the result of the poll for Ordinary Resolution 4 as follows:-

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Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,413,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 4 was carried and RESOLVED:-

That the payment of Director's fee of Ringgit Malaysia Sixty Thousand (RM60,000.00) to Mr Martin Jayaratnam A/L Thiagaraj, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023 be and is hereby approved.

**24. ORDINARY RESOLUTION 5****DIRECTOR'S FEE TO PUAN RAHANAWATI BINTI ALI DAWAM, THE NON-EXECUTIVE DIRECTOR OF THE COMPANY AND ITS SUBSIDIARIES**

The Chairman read the result of the poll for Ordinary Resolution 5 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,466,906	99.9978	2,190	0.0022

Based on the above result, the Chairman declared that Ordinary Resolution 5 was carried and RESOLVED:-

That the payment of Director's fee of Ringgit Malaysia Eighty Thousand (RM80,000.00) to Puan Rahanawati Binti Ali Dawam, the Non-Executive Director of the Company and its subsidiaries for the financial year ending 31 December 2023 be and is hereby approved.

**25. ORDINARY RESOLUTION 6****DIRECTORS' BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY**

The Chairman read the result of the poll for Ordinary Resolution 6 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,358,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 6 was carried and RESOLVED:-

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That the Directors' benefits payable to the Non-Executive Directors of the Company amounting to Ringgit Malaysia Nineteen Thousand and Two Hundred (RM19,200.00) until the next Annual General Meeting of the Company be and is hereby approved for payment to the Non-Executive Directors.

**26. ORDINARY RESOLUTION 7**  
**RE-ELECTION OF DIRECTOR – DR LIM**

The Chairman read the result of the poll for Ordinary Resolution 7 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,523,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 7 was carried and RESOLVED:-

That the retiring Director, Dr Lim be and is hereby re-elected as Director of the Company.

**27. ORDINARY RESOLUTION 8**  
**RE-ELECTION OF DIRECTOR – MR FOONG KAM WENG**

The Chairman read the result of the poll for Ordinary Resolution 8 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,523,986	99.9999	110	0.0001

Based on the above result, the Chairman declared that Ordinary Resolution 8 was carried and RESOLVED:-

That the retiring Director, Mr Foong Kam Weng be and is hereby re-elected as Director of the Company.

**28. ORDINARY RESOLUTION 9**  
**RE-APPOINTMENT OF AUDITORS**

The Chairman read the result of the poll for Ordinary Resolution 9 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,523,986	99.9999	110	0.0001

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Based on the above result, the Chairman declared that Ordinary Resolution 9 was carried and RESOLVED:-

That the retiring Auditors, Messrs BDO PLT, having indicated their willingness to accept re-appointment, be hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration.

**29. ORDINARY RESOLUTION 10****AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**

The Chairman read the result of the poll for Ordinary Resolution 10 as follows:-

Votes in Favour		Votes Against	
No of Votes	%	No of Votes	%
101,481,986	99.9585	42,110	0.0415

Based on the above result, the Chairman declared that Ordinary Resolution 10 was carried and RESOLVED:-

That pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue and that the Directors be and are hereby 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 continue to be in force until the conclusion of the next Annual General Meeting of the Company.

That in connection with the above, pursuant to Section 85 of the Companies Act 2016 and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

And that the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

**RHONE MA HOLDINGS BERHAD**

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**30. CONCLUSION**

There being no other business to be transacted, the meeting concluded at 12.20 p.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD  
OF THE PROCEEDINGS THEREAT

- signed -

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**DATO' HAMZAH BIN MOHD SALLEH**

*Chairman*