

# **JOHAN HOLDINGS BERHAD**

Registration No. 192001000038 (314-K)

MINUTES of the Ninety-Sixth Annual General Meeting of the Company conducted in fully virtual manner using online meeting platform via the Share Registrar's website at www.johanmanagement.com.my in Malaysia on Thursday, 20 January 2022, at 11.00 a.m.

Present:

**Board of Directors :**

Tan Sri Dato' Tan Kay Hock (*Chairman*)  
Puan Sri Datin Tan Swee Bee  
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff  
Tan Sri Dato' Seri Dr Ting Chew Peh  
Mr. Ooi Teng Chew

**Shareholders / Proxies :**

As per Attendance List

By Invitation:

Sia Chin Yap (*General Manager-Operations*)  
Lee Teck Siong (*Senior Manager-Finance*)  
Choo Chin Yoon (*Senior Manager-Group Accountant & Treasurer*)  
Choong Teng Fei (*Senior Assistant Manager-Finance*)  
Phoon Hee Yau (*Dynacare Sdn Bhd-Director*)  
Tio Yit Ching (*Dynacare Sdn Bhd-Senior General Manager*)  
Ng Zu Wei (*Representing Baker Tilly Monteiro Heng PLT*)  
Ho Lee Sien (*Representing Baker Tilly Monteiro Heng PLT*)  
Phoon Kai Chee (*Representing Baker Tilly Monteiro Heng PLT*)

In Attendance:

Mr Teh Yong Fah (*Company Secretary*)

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## **1. CHAIRMAN**

Tan Sri Dato' Tan Kay Hock presided as Chairman of the Ninety-Sixth Annual General Meeting ("96<sup>th</sup> AGM") of Johan Holdings Berhad ("Johan" or "the Company").

The Chairman, on behalf of the Board of Directors ("the Board"), welcomed the shareholders, proxies and corporate representative present to the 96<sup>th</sup> AGM of the Company ("Members") which was conducted fully virtual.

## **2. QUORUM AND NOTICE OF MEETING**

The requisite quorum being present, the Chairman called the meeting to order. The Chairman informed that the notice convening the 96<sup>th</sup> AGM of the Company was circulated to all shareholders and advertised in The New Straits Times newspaper on 30 November 2021. With the permission from the Members, the notice convening the 96<sup>th</sup> AGM was taken as read.

**3. INTRODUCTION**

The Chairman introduced all the Board members who participated the 96<sup>th</sup> AGM via video conference. The Company Secretary, representatives from the External Auditors and the key management personnel were also in attendance via video conference.

**4. VOTING AND MEETING PROCEDURES**

The Chairman reported that the Company had received 14 proxy forms from shareholders holding a total of 832,515,134 ordinary shares, representing 71.28% of the total issued shares of the Company, all of which appointed the Chairman and other proxies to vote in favour of all the eight (8) Ordinary Resolutions to be considered at this Meeting.

The Chairman informed that the Members could raise their questions on the matters related to the Agenda of this AGM via the Question-and-Answer column. The Board would endeavour to address all the relevant questions at the Meeting.

The Chairman informed the Members that all the Resolutions as set out in the Notice of 96<sup>th</sup> AGM would be voted by poll in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The polling would be conducted electronically via the Remote Participation and Voting (“RPV”) facility provided by Propoll Solutions Sdn Bhd, the Poll Administrator. Symphony Corporate Services Sdn Bhd was the appointed Scrutineers to verify the poll results.

A short video on how the Members can access the online voting platform to cast their votes was presented during the Meeting. The Chairman informed the Members that the voting session had opened from the commencement of the Meeting at 11.00 a.m.

**5. CHAIRMAN ADDRESS**

The Chairman reported that the period under review was a watershed for Johan Group (“the Group”), having completed the disposal of the main business, Diners Club Singapore Private Limited (“DCS”) which was loss making and entering into the new business of healthcare business, particularly the manufacturing of gloves under Dynacare Sdn Bhd (“Dynacare”). The fresh capital injection by way of private placement and rights issue of new shares with warrants and coupled with the massive gain on disposal of DCS have substantially strengthened the Group’s balance sheet with virtually no debt to enable the Group to enter a new chapter to deliver value to shareholders.

The Chairman reported that as announced on 27 November 2021, Dynacare began commercial production for its 1<sup>st</sup> double former dipping line with a total of 6 dipping lines in commercial production expected by February 2022.

The Chairman then proceeded to deal with the business of the Meeting.

**6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2020 TO 31 JULY 2021 AND THE REPORTS OF THE DIRECTORS AND AUDITORS**

The audited financial statements of the Company for the financial period from 1 February 2020 to 31 July 2021 and the Reports of the Directors and Auditors thereon as incorporated in the Annual Report were tabled. No voting by Members is required for this Agenda item.

The Chairman reported that for the financial period ended 31 July 2021, the Group recorded a historic profit after tax of RM161.056 million. The Group's balance sheet as at 31 July 2021 was substantially strengthened, wherein Shareholders' Fund stood at RM239.8 million, cash at bank of RM117.5 million, earnings per share of 22.89 sen, net assets per share of 21.06 sen. The Group has no Bank borrowings.

It was recorded that the audited financial statements of the Company for the financial period ended 31 July 2021 and the Report of Directors and Auditors thereon had been duly tabled and received by the Shareholders.

The Chairman proceeded to deal with the next item on the Agenda.

**7. RE-ELECTION OF DIRECTORS RETIRING BY ROTATION**

- (i) Pursuant to Clause 90 of the Constitution of the Company, Puan Sri Datin Tan Swee Bee retired by rotation at the meeting and being eligible, she had offered herself for re-election.
- (ii) Pursuant to Clause 90 of the Constitution of the Company, Tan Sri Dato' Seri Dr Ting Chew Peh retired by rotation at the meeting and being eligible, he had offered himself for re-election.

**8. ADDITIONAL DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL PERIOD ENDED 31 JULY 2021**

Agenda 3 is to approve the payment of additional Directors' fees and benefits totalling RM68,000 to the Non-Executive Directors for the 18 months ended 31 July 2021.

As stated in the Explanatory Note 1 in the Notice of AGM, the additional amount of RM68,000 is for the additional 6 months' fees and benefits from February 2021 to 31 July 2021 due to the change of the Company's financial year end to 18 months period ended 31 July 2021.

**9. DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2022**

Agenda 4 is to approve the payment of Directors' fees and benefits up to RM169,000 to the Non-Executive Directors for the year ending 31 July 2022.

**10. RE-APPOINTMENT OF AUDITORS**

Agenda 5 is to re-appoint Baker Tilly Monteiro Heng PLT, as External Auditors of the Company for the financial year ending 31 July 2022 and to authorize the Board of Directors to fix their remuneration.

Baker Tilly Monteiro Heng PLT, the retiring auditors, have expressed their willingness to continue in office.

**11. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Agenda 6 under Special Business is to consider the re-appointment of Dato' Ahmad Khairummuzammil Bin Mohd Yusoff who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as Independent Non-Executive Director of the Company.

The justification to retain Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as Independent Non-Executive Director of the Company was set out in the Explanatory Note 2 of the Notice of the 96<sup>th</sup> AGM.

**12. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Agenda 7 under Special Business is to consider the re-appointment of Mr Ooi Teng Chew, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as Independent Non-Executive Director of the Company.

The justification to retain Mr Ooi Teng Chew as Independent Non-Executive Director of the Company is set out in the Explanatory Note 3 of the Notice of the 96<sup>th</sup> AGM.

**13. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

Agenda 8 under Special Business is to authorise the Directors to allot and issue up to 10% of the total issued shares of the Company in general pursuant to Sections 75 and 76 of the Companies Act, 2016.

The Chairman informed the Members that the Company had not issued any new shares under this general authority which would lapse at the conclusion of the 96<sup>th</sup> AGM. A renewal of this general authority is being sought at the meeting. The renewed mandate is to provide flexibility to the Company for any possible future fund raising activities including but not limited to placement of shares for purposes of funding future investments, working capital and/or acquisition.

**14. OTHER ORDINARY BUSINESS**

The Chairman informed the Members that the Secretary has confirmed that no notice of resolution has been received to transact any other ordinary business of the Company.

**15. QUESTIONS AND ANSWERS (“Q&A”)**

The Chairman at this juncture informed the Members that the Q & A session be opened for the Members to raise questions pertaining to the agenda.

The Chairman informed the Members that the Board had received some questions from shareholders prior to the Meeting. The questions and the replies, presented via slides presentation, were as set out below:-

Questions from MSWG

Operational & Financial Matters

1) *Johan recorded profit after tax of RM161.06 million in the 18-month financial period ended 31 July 2021 (FPE2021), thanks to the disposal of Diners Club (Singapore) Pte Ltd and Diners Pay Pte Ltd for S\$103.59 million in 2021. This was the first time Johan recorded net profit since FY2012.*

*However, the profit performance may not be sustainable as Johan had incurred loss of RM39.16 million from continuing operation.*

a) *What will be the key driver of better and sustainable financial performance in FY2022?*

Reply:-

*Healthcare business (gloves) will be the key driver in FY 2022.*

b) *How will Johan's hospitality and general trading businesses fare financially in FY2022?*

Reply:-

*Hospitality*

*The Covid-19 pandemic has confronted the hospitality sector with an unprecedented challenge. Measures taken by the Malaysian Government with periodic lockdowns and travel bans have created an uncertain business climate and significantly impacted the Orient Star Resort Lumut and travel & air ticketing business under the Group.*

*Hotels are beginning to see gradual signs of recovery with domestic tourism Malaysia's accelerated inoculation programme has increased the chances for domestic and international tourism recovery. The current increase in demand for rooms at our Resort hotel is very encouraging and the expected strong recovery going forward augers well for the Group's hospitality business.*

*General trading*

*The general trading business is highly competitive and have thin profit margin. The management foresee a lower contribution from this segment in FY 2022.*

- 2) *Dynacare Sdn Bhd - a 60%-owned subsidiary of Johan targeted to commence the commercial production of a glove manufacturing plant in Perak by end of November 2021.*

- a) *Has Dynacare begun to contribute financially to the Group?*

Reply

*Dynacare is in talks with potential customers for deliveries starting first Quarter of 2022.*

- b) *To whom will Dynacare sell its gloves to? How does it compete with other glove producers amidst the current lower average selling prices and influx of gloves supply in the market?*

Reply

*Dynacare is selling its gloves to local and international glove buyers and distributors.*

- c) *It was reported that the glove manufacturing plant would cost RM624.1 million to complete. Upon completion, the plant will house 42 production lines.*

*How much had Johan invested in the gloves business? Does Johan plan to tap into equity financing to fund the new business? To recap, Johan had completed a rights issue exercise in July 2021 and raised RM38.93 million to fund the glove business.*

Reply

*Dynacare's paid-up capital as at time of writing is RM42M. Of which, Johan's 60% shares amounted to RM25.2M was funded via internal funds. The paid-up capital will be increased progressively to meet Dynacare's funding requirement.*

- d) *How long will it take for Dynacare to achieve breakeven from its investment?*

Reply

*Investment breakeven is subject to market conditions which are volatile. Dynacare will monitor the market condition closely and stage its investment to optimize its investment return.*

- 3) *Utilisation of proceeds raised from corporate proposal (page 42 of AR2021)*

- a) *What are the investment/business opportunities that Johan has identified for it to utilise the unused RM20 million and RM9.651 million from a land disposal and a private placement exercise?*

- b) *Will the proceeds be channeled towards the new gloves business?*

Reply

*The remaining RM 20 million and RM9.651 million will be utilised for the gloves business*

Corporate Governance Matters

- 1) *During the upcoming AGM, the Board will seek shareholders' approval for the payment of additional Directors' fees and benefits amounting to RM68,000 to Non-Executive Directors for the financial period ended 31 July 2021.*

*The additional Directors' fee and benefits are due to the change of financial year-end from 31 January to 31 July.*

*What are the breakdown of the directors' fees and benefits - by categories and recipients?*

Reply

	<u>Additional Directors' fees</u>		
	<u>Fees</u> <u>(RM'000)</u>	<u>Allowance</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
<i>Dato' Ahmad Khairumuzammil bin Mohd bin Yusoff</i>	20	4	24
<i>Tan Sri Dato' Seri Dr Ting Chew Peh</i>	20	2	22
<i>Ooi Teng Chew</i>	20	2	22
	60	8	68

- 2) *For FPE2021, Johan had incurred internal audit (IA) cost of RM592,140 for its IA activities (page 37 of AR2021).*

*How many personnel were engaged in the IA function for Johan? How many IA reports were issued in FPE2021? Which major subsidiaries were audited by the IA team?*

Reply

*There were 2 Internal Audit personnel during the period. 4 Internal Audit Reports were issued covering Diners Club (S) Pte Ltd, Diners World Travel (M) Sdn Bhd and Orient Star Resort Lumut.*

- 3) *Based on the Corporate Governance (CG) report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance (MCCG), please provide clarification on the following:*

- a) *Practice 4.2: The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.*

*If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.*

*Johan's response: Departure. Given that shareholders' voting rights are enshrined under the Company's Constitution, which states that every shareholder has one vote for every share he holds and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolution, which is also in line with the Companies Act, 2016, the Board is therefore not recommending the two-tier voting process for the resolution to retain Dato' Ahmad Khairummuzammil Bin Mohd Yusoff and Mr Ooi Teng Chew as Independent Directors of the Company at the forthcoming Annual General Meeting. (Excerpt of Johan's explanation for its departure of Practice 4.2)*

*MSWG's comment: The Securities Commission Malaysia has issued a Frequently Asked Questions on the MCCG on 26 April 2017 and revised on 30 April 2021 ("MCCG FAQ") where it mentioned the two-tier voting process is consistent with the rights and powers attached to shares as accorded in the Companies Act 2016. In exercising the votes under two tier voting process, each shareholder continues to have only one vote for each shares held.*

*In the light of the abovementioned SC's statements, does Johan plan to implement two tier voting?*

Reply

*The Board had explained the rationale in not recommending the two-tier voting process in the departure to Practice 4.2.*

**16. POLL VOTING**

There were no further questions raised, the Chairman proceeded with the voting session. The Members who have not casted their votes, were allocated another five (5) minutes time to submit their votes.

The Chairman announced the closure of the voting session and declared that the AGM be immediately adjourned to enable the poll administrator and independent scrutineers to count the votes and verify the poll results.

**17. DECLARATION OF POLL RESULTS**

The Chairman called the Meeting to order for the declaration of results.

The Chairman informed the Members that the poll result had been validated by the independent scrutineers. The poll result were as follows:-



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	FOR			AGAINST		
	No. Shareholders	No. of shares	%	No. Shareholders	No. of shares	%
<u>Ordinary Resolution 1</u> Re-election of Puan Sri Datin Tan Swee Bee as a Director	22	833,691,132	100.0000	0	0	0
<u>Ordinary Resolution 2</u> Re-election of Tan Sri Dato' Seri Dr Ting Chew Peh as a Director	22	833,691,132	100.0000	0	0	0
<u>Ordinary Resolution 3</u> Approval of payment of additional Directors' fees and benefits to Non-Executive Directors for the financial period ended 31 July 2021	15	833,185,832	99.9994	6	5,300	0.0006
<u>Ordinary Resolution 4</u> Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 July 2022	17	833,186,432	99.9994	4	4,700	0.0006
<u>Ordinary Resolution 5</u> Re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 July 2022 and to authorise the Board of Directors to fix their remuneration	22	833,691,132	100.0000	0	0	0

	FOR			AGAINST		
	No. Shareholders	No. of shares	%	No. Shareholders	No. of shares	%
<u>Ordinary Resolution 6</u> Retention of Independent Non-Executive Director - Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	17	831,190,732	99.7001	5	2,500,400	0.2999
<u>Ordinary Resolution 7</u> Retention of Independent Non-Executive Director – Mr Ooi Teng Chew	18	830,690,932	99.6999	3	2,500,200	0.3001
<u>Ordinary Resolution 8</u> Authorisation for Directors to allot shares	16	831,189,832	99.7000	6	2,501,300	0.3000

The Chairman declared that all the eight (8) Ordinary Resolutions as tabled and voted at this AGM as duly carried.

The Ordinary Resolutions duly passed were as follows:-

**ORDINARY RESOLUTION 1**  
**RE-ELECTION OF DIRECTOR RETIRING BY ROTATION**

It was resolved that Puan Sri Datin Tan Swee Bee, being eligible, be re-elected as Director of the Company.

**ORDINARY RESOLUTION 2**  
**RE-ELECTION OF DIRECTOR RETIRING BY ROTATION**

It was resolved that of Tan Sri Dato' Seri Dr Ting Chew Peh, being eligible, be re-elected as Director of the Company.

**ORDINARY RESOLUTION 3**  
**ADDITIONAL DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL PERIOD ENDED 31 JULY 2021**

It was resolved that the payment of additional Directors' fees and benefits of RM68,000 to Non-Executive Directors for the financial period ended 31 July 2021 be hereby approved.

**ORDINARY RESOLUTION 4**

**DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 JULY 2022**

It was resolved that the payment of Directors' fees and benefits of up to an amount of RM169,000 to Non-Executive Directors for the financial year ending 31 July 2022 be hereby approved.

**ORDINARY RESOLUTION 5**

**RE-APPOINTMENT OF AUDITORS**

It was resolved that Baker Tilly Monteiro Heng PLT be hereby re-appointed as External Auditors of the Company for the financial year ending 31 July 2022 at a remuneration to be fixed by the Directors.

**ORDINARY RESOLUTION 6**

**RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

It was resolved that approval be and is hereby given to Dato' Ahmad Khairummuzammil Bin Mohd Yusoff 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 Independent Non-Executive Director of the Company.

**ORDINARY RESOLUTION 7**

**RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

It was resolved that approval be and is hereby given to Mr Ooi Teng Chew, 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 Independent Non-Executive Director of the Company.

**ORDINARY RESOLUTION 8**

**AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

It was resolved that pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon the 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 from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

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*Minutes of 96<sup>th</sup> AGM held on Thursday, 20 January 2022 at 11.00 a.m. – Cont'd*

**18. TERMINATION**

There being no other business to transact, the Chairman thanked the Members for their participation at the AGM and declared the meeting closed at 11.37 a.m.

Confirmed as the correct record  
of proceedings thereat,

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CHAIRMAN

Dated : 20 January 2022