

D.B.E. GURNEY RESOURCES BERHAD

(Company No. 535763-A)

[Incorporated in Malaysia]

MINUTES OF THE 18TH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT INTAN 1, THE ORIENT STAR RESORT LUMUT, LOT 203 & 366, JALAN ISKANDAR SHAH, 32200 LUMUT, PERAK DARUL RIDZUAN ON MONDAY, 27TH MAY 2019 AT 10.00 A.M.

Present : As per Attendance List

In Attendance : Ms. Jesslyn Ong Bee Fang (Secretary)

1. CHAIRMAN

Dato' Doh Tee Leong, the Chairman of the Meeting took the Chair and welcomed all members to the Meeting.

2. QUORUM

Upon confirmation by the Secretary of the presence of a quorum, the Chairman called the Meeting to order and proceeded to business.

3. NOTICE OF MEETING

The Notice of the Meeting, with the permission of the Meeting, was taken as read.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman invited shareholders to raise any question pertaining to the Audited Financial Statements of the Company for the financial year ended 31 December 2018.

One of the proxies, namely Mr Khaw Yee Hui, whom represented multiple shareholders of the Company sought further information from the Company and raised the following questions from the floor:-

- (i) 5 years business plans for the poultry and construction & property sectors
- (ii) Capital expenditure investment for poultry and construction & property sectors
- (iii) Location of ongoing projects and updates on the progress of construction & property sector
- (iv) Any existing oversea customers or any plan to secure oversea customers
- (v) Competition with existing players in the market for poultry sector (QL, Teo Seng, Lay Hong, LTKM, Leong Hup) and construction & property sector (GDB, Matrix, LBS)
- (vi) Implications on social media postings by Directors and affecting company's image
- (vii) Reasons for significant financial losses of RM20 mil in FYE2017 and RM27 mil in FYE2018
- (viii) Major customer information as disclosed on page 132 in the Annual Report 2018

The above were replied as follows by Dato' Ding Seng Huat and Dato' Doh Jee Ming:-

- (i) There will not be any expansion for the poultry sector in the next 5 years as the Group has diversified into construction and property sector during the year. The construction and property sector has embarked on multiple projects currently with commendable revenue derived from these projects amounting to some RM12 million in 2018. The Group will continue its growth in the construction and property sector moving forward.
- (ii) There will not be any capital expenditure (capex) investment for the poultry sector but the capex investment will be channelled towards the construction and property sector in future. The production capacity of poultry sector will be maintained at the current level.
- (iii) The existing projects are located at Taman Desa Harmoni, Seri Iskandar and Sungai Terap and also an upcoming proposed new joint venture for affordable homes in Batu Gajah. The existing projects have achieved remarkable response so far with expected margin exceeding 35%.
- (iv) There are no overseas customers or projects currently for the construction and property sector.
- (v) DBE Group is only involved in the production of broiler chicken, hence it cannot be compared with QL, Teo Seng, Lay Hong, LTKM and Leong Hup as these companies are big players in the market with bulk volumes production, eggs production and other chicken activities as well. On the other hand, GDB, Matrix, LBS are not competitors to DBE's construction and property sector as DBE currently only build affordable homes/projects below RM250,000.
- (vi) The posting on the social media was made more than a decade ago in 2007 and Dato' Doh Jee Ming was not even a director in DBE Group then.
- (vii) The significant financial losses of RM20 mil in FYE2017 and RM27 mil in FYE2018 were due to impairment made under the new MFRS requirements whereby all debtors' outstanding amount with credit limit exceeding 90 days must be fully impaired. As such, these impairments had led to the huge losses for both financial years.
- (viii) The 3 major customers were linked to the Group's poultry sector involving the KFC's renewed contractual business.

After due deliberation, the Chairman informed the shareholders that the Audited Financial Statements was meant for discussion only as provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders. Therefore, Agenda 1 was not put forward for voting.

5. INCREASE IN DIRECTORS' FEES FROM RM90,000 TO RM95,000 FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018

On a proposal by Ms Heng Pei Sian and seconded by Mr Chan Hoe Hock, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 1

“THAT the increase in Directors' fees from RM90,000 to RM95,000 and the payment of such fees to the Non-Executive Director of the Company for the financial year ended 31 December 2018 be and is hereby approved.”

6. DIRECTORS' FEES UP TO AN AMOUNT OF RM150,000 FOR FINANCIAL YEAR ENDING 31 DECEMBER 2019

On a proposal by Ms Liew See See and seconded by Ms Heng Pei Sian, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 2

“THAT the payment of Directors’ fees of up to an amount of RM150,000 to Non-Executive Directors for the financial year ending 31 December 2019, to be made payable monthly be and is hereby approved.”

7. DIRECTORS' BENEFITS UP TO AN AMOUNT OF RM80,000 FOR THE PERIOD FROM 28 MAY 2019 UNTIL THE CONCLUSION OF NEXT ANNUAL GENERAL MEETING

On a proposal by Ms Anjelai A/P Raja Gopal and seconded by Ms Liew See See, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 3

“THAT the payment of Directors’ benefits (other than directors’ fees) of up to an amount of RM80,000 to Directors for the period from 28 May 2019 until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.”

8. RE-ELECTION OF DIRECTOR

Pursuant to Article 84 of the Company’s Articles of Association (Constitution), Dato’ Ding Seng Huat who retired by rotation and being eligible, has offered himself for re-election.

On a proposal by Ms Anjelai A/P Raja Gopal and seconded by Mr Khaw Yee Hui, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 4

“THAT Dato’ Ding Seng Huat who is due to retire pursuant to Article 84 of the Company’s Articles of Association (Constitution) be and is hereby re-elected as Director of the Company.”

9. RE-ELECTION OF DIRECTOR

Pursuant to Article 84 of the Articles of Association (Constitution) of the Company, YM Ungku A Razak bin Ungku A Rahman who retired by rotation and being eligible, has offered himself for re-election.

On a proposal by Ms Heng Pei Sian and seconded by Ms Anjelai A/P Raja Gopal, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 5

“THAT YM Ungku A Razak bin Ungku A Rahman who is due to retire pursuant to Article 84 of the Company’s Articles of Association (Constitution) be and is hereby re-elected as Director of the Company.”

10. RE-ELECTION OF DIRECTOR

Pursuant to Article 91 of the Articles of Association (Constitution) of the Company, Ms. Foo Kwai Kheng who was appointed during the year and now retiring and being eligible, has offered herself for re-election.

On a proposal by Ms Heng Pei Sian and seconded by Mr Khaw Yee Hui, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 6

“THAT Ms. Foo Kwai Kheng who is due to retire pursuant to Article 91 of the Company’s Articles of Association (Constitution) be and is hereby re-elected as Director of the Company.”

11. RE-APPOINTMENT OF AUDITORS

The Meeting was informed that the present Auditors, Messrs Moore Stephens Associates PLT has informed the Board that they are seeking re-appointment as External Auditors of the Company for the financial year ending 31 December 2019.

On a proposal by Ms Anjelai A/P Raja Gopal and seconded by Ms Heng Pei Sian, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 7

“THAT Messrs Moore Stephens Associates PLT be and is hereby re-appointed Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.”

12. SPECIAL BUSINESS

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016

On a proposal by Ms Liew See See and seconded by Ms Anjelai A/P Raja Gopal, the following motion was put to the Meeting for a vote by way of poll:-

Ordinary Resolution 8

“THAT, subject always to the Sections 75 and 76 of the Companies Act 2016 (“the Act”), the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (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;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

On a proposal by Ms Heng Pei Sian and seconded by Ms Liew See See, the following motion was put to the Meeting for a vote by way of poll:-

Special Resolution

“THAT the proposed adoption of a new Constitution of the Company, details as set out in Appendix A, be and is hereby approved in substitution for and to the exclusion of the whole of the existing Memorandum and Articles of Association of the Company thereof (“Proposed Adoption”).

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Adoption.”

13. ADJOURNMENT OF MEETING AND DECLARATION OF POLLING RESULTS

The Meeting then adjourned until the counting of the votes had been completed and the results of the poll validated by the Independent Scrutineers, i.e LEOU ASSOCIATES PLT. The Meeting resumed after adjournment of approximately 30 minutes. The Chairman then announced that ALL the resolutions were CARRIED by way of poll at the AGM with the following results:

- (i) 1,331,037,607 shares (representing 100.0% present and voting) voted IN FAVOUR of Ordinary Resolutions 3,4,5,6,7,8 and the Special Resolution;
- (ii) 1,330,281,607 shares (representing 99.9432% present and voting) voted IN FAVOUR and 756,000 shares (representing 0.0568% present and voting) voted AGAINST Ordinary Resolution 1; and
- (iii) 1,330,334,607 shares (representing 99.9472% present and voting) voted IN FAVOUR and 703,000 shares (representing 0.0528% present and voting) voted AGAINST Ordinary Resolution 2.

14. TERMINATION OF MEETING

There being no other business, the Chairman declared the Meeting closed at 11.50 a.m and thanked the members for their attendance.

SIGNED AS CORRECT RECORD



.....
DATO' DOH TEE LEONG
Chairman