

JAG BERHAD
(Company No. 439230-A)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD AT DANAU 3, 1ST FLOOR, KOTA PERMAI GOLF AND COUNTRY CLUB, NO. 1, JALAN 31/100A, KOTA KEMUNING, SECTION 31, 40460 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 21 MAY 2019

PRESENT

Directors : Datin Tan Siew Ching (*Chairperson*)
Dato' Ng Meow Giak
Mr. Ewe Chuan Seng
Mr. Roy Thean Chong Yew
Datuk Md. Hassim Bin Pardi

At the Twenty-First Annual General Meeting of the Company held on 21 May 2019 ("**21st AGM**"), all the resolutions as set out in the Notice of the 21st AGM, were duly passed by way of poll by the shareholders and proxies present thereat.

The following are the key questions that were raised from the floor, which were adequately responded and addressed by the Board and Management:-

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Some shareholders raised questions on the following matters:-

1.1 A *shareholder* raised his questions and the responses from the Board and Management as follows:-

- Q1. Any profit gained from the property development of the Company, the ARCA Project?
- A1. Datin Tan Siew Ching ("**Datin Chairperson**") informed that the Property Development Section was still in gestational period as the ARCA Project was only launched not too long ago. She added that the Property Development team was still conducting marketing and promotion activities to generate sales. The Management was optimistic on the positive contribution from the said Section by year 2020.
- Q2. Please explain how the funds were generated for purchasing the land from Hwee Seng & Co. Sdn. Bhd.
- A2. Datin Chairperson responded that the purchase of land from Hwee Seng & Co. Sdn. Bhd., was financed through a combination of internally-generated funds and bank borrowing.
- Q3. In view that the value of the Company was at approximately RM60 million, to purchase a piece of land for RM14.4 million, will the purchase affect the Company?
- A3. Mr. Kek Beng Soon ("**Mr. BS Kek**"), the Financial Controller of the Company informed that the Company had utilised its internally-generated funds to make a 10% down-payment deposit of RM1.44 million while the remaining balance would be financed by internally generated fund and bank borrowings.

(Summary of Key Matters discussed at the Twenty-First Annual General Meeting - cont'd)

- Q4. The *shareholder* added that the Company often proposed exercises, for example, private placement, share buyback within these few years, these exercises might dilute the share price. He hoped the Company would be mindful of dilutive effect on existing shareholders when considering any fund-raising exercise.
- A4. Datin Chairperson thanked the *shareholder* of his comments and informed that the Management would take into consideration on such issue. She assured that the Management would ensure that the best interest of the Company be served prior to embarking on any new fund-raising exercise.
- Q5. The *shareholder* then enquired on the reason for the decrease in Company's profit for two consecutive years, in particular the recycle business.
- A5. Datin Chairperson informed that the Company's revenue from the Total Waste Management Division would depend on the supply of raw waste from its suppliers. If the volume of supplies declines, it would have a cascading effect on the total waste to be processed and the metals extraction thereof for disposal in the London Metal Exchange. This would in turn affect the revenue of the Company for the financial year.
- 1.2 A *shareholder* enquired on the period where the revenue of ARCA Project could be recognised.

Mr. BS Kek explained that based on accounting standards, revenue recognition could commence once the partial billing be made upon constructing the foundation construction which includes piling and structural foundation of car park portion of the ARCA Project. The Management expected to attain such level between the third and fourth quarter of financial year ending 31 December 2020.

2.0 SPECIAL BUSINESS
ORDINARY RESOLUTION 7
- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

- 2.1 A *shareholder* enquired on the timing when the Company would exercise its Share Buy-Back activities?

Mr. BS Kek informed that the ceiling prices of Share Buy-Back have been regulated under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and announcement(s) would be made on any Share Buy-Back. He added the Company has bought back one million shares equivalent to RM100,000 from the market thus far.

Datin Chairperson added that this Resolution was to give the authority for the Company to purchase its own shares and the Board would carefully deliberate the authority to each share buy-back whenever the Company is ready.

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(Summary of Key Matters discussed at the Twenty-First Annual General Meeting - cont'd)

- 2.2 A *shareholder* expressed his concern over dilutive effect of Share Buy-Back activities on the shareholding of existing shareholders. He was not in favour of Share Buy-Back activities in general.

Datin Chairperson clarified that any shares bought back by the Company would be retained as treasury shares and those shares would not carry any voting rights. She added that shareholders have the discretion whether to vote for or against the resolution on granting the authority to the Company for Share Buy-Back

For the rest of the items on the Agenda, there were no questions raised by the shareholders and proxies at the 21st AGM.