

**JAG BERHAD**

[Registration No. 199701023733 (439230-A)]  
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-SECOND 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 WEDNESDAY, 5 AUGUST 2020**

---

**PRESENT**

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

At the Twenty-Second Annual General Meeting of the Company held on 5 August 2020 ("**22nd AGM**"), all the resolutions as set out in the Notice of the 22nd 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 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

---

Some shareholders and a proxy raised questions on the following matters:-

1.1 A *proxy* raised some questions and the responses from the Board as follows:-

**Q1. What is the rationale for the impairment loss of investment property and property, plant and equipment totalling RM5.9 million on investment properties?**

A1. Mr. Roy Thean Chong Yew replied that the Management had performed the impairment review during the reporting period on its investment property and property plant and equipment in accordance with the Malaysian Financial Reporting Standards (MFRS) and an impairment loss of RM4,005,279/- was recognised to write down the investment property to its recoverable amount of RM15,440,000/- based on the valuation carried out by an independent firm of professional valuers and impairment loss of RM1,880,319/- on property, plant and equipment related to this exercise. The recognition of the impairment loss was due to the poor economic environment in the property section which led to temporarily cessation of the development activities.

**Q2. Regarding the laundry business noted, it was very competitive, how would the Company ensure the business be viable in the long term? And would there be any further expansion in the laundry business?**

A2. Datin Chairperson informed that notwithstanding the low barrier to entry where it would be easy to open an outlet, in order to ensure sustainability in the long term, an economics of scale would need to be achieved where there would be a need to maintain certain number of outlets. This would in turn, be a capital-intensive to

(Summary of Key Matters discussed at the Twenty-Second Annual General Meeting of the Company held on 5 August 2020 - cont'd)

purchase and maintain the laundrette equipment. Management has been constantly scouting for prospective location in the Klang valley for expansion.

**Q3. How does the Company cope with the E-waste business in current market?**

A3. Datin Chairperson replied that the Company has been operating its business for almost thirty (30) years. Beside of the experience in this business, the Company must know-how, in order to secure the contracts, bidding processes, projects tendering, research and development (R&D), capacity of operational, awareness of the commodities prices, etc.

**Q4. What was the outlook for commodities prices and in the event of the price dropped, how would the Company dispose its materials?**

A4. Datin Chairperson replied that the commodities prices were subject to constant fluctuation. Management would monitor the fluctuation on a daily basis and adopt certain mitigating measures, such as short-term hedging, and forecast of short-term business trend.

Datin Chairperson informed Mr. Tan that approximately 90% of the Company's revenue are derived from the export of the products to China, Japan, Philippines, etc.

1.2 A *shareholder* raised some questions and the responses from the Board as follows:-

**Q1. Any preventive actions taken by the Company against outbreak of the Coronavirus ("COVID-19") pandemic?**

A1. Datin Chairperson replied that the Company had obtained approval for resumption of business operations of Jaring Metal Industries Sdn. Bhd. during the Movement Control Order ("MCO") period imposed by the Malaysian Government, from Ministry of International Trade and Industry (MITI) on 19 April 2020. The Company resumed its operation on 22 April 2020 and had at the same time formed a temporary MCO Committee to oversee the implementation of preventive measures against the spread of COVID-19 at workplace.

**Q2. Whether the Company has considered any dividend pay-out?**

A2. Datin Chairperson replied that at this juncture, it would be appropriate for Management to conserve sufficient cash to overcome difficult trade environment brought by COVID-19 pandemic. Nevertheless, the Company would always revisit the viability of declaration of dividends to shareholders.

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

-3-

(Summary of Key Matters discussed at the Twenty-Second Annual General Meeting of the Company held on 5 August 2020 - cont'd)

1.3 A *shareholder* raised some questions and the responses from the Board as follows:-

**Q1. How would the Company to secure large contract(s) in the future in view that the market is so competitive?**

A1. Datin Chairperson informed that Management would participate in numerous contract bidding process diligently and would expect some successful bid(s) to be achieved.

For the rest of the items on the Agenda, there were no questions raised by the shareholders and proxies at the 22nd AGM.