

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)
(Incorporated in Malaysia)

MINUTES OF GENERAL MEETING

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE CONFERENCE ROOM OF CHIN WELL HOLDINGS BERHAD AT NO. 1586, MK. 11, LORONG PERUSAHAAN UTAMA 1, BUKIT TENGAH INDUSTRIAL PARK, 14000 BUKIT MERTAJAM, PENANG ON FRIDAY, 18 NOVEMBER 2016 AT 11.00 A.M.

Present : Mr. Lim Chien Ch'eng (In the Chair)
Mr. Tsai Yung Chuan
Madam Tsai Chang Hsiu-Hsiang
Mr. Ung Peng Joo
Mr. Ong Eng Choon
Ms. Tsai Chia Ling
Cik Sharmin Fazlina Binti Mohd Shukor
and 24 other shareholders and proxies as per attendance list

By Invitation : 7 invited guests as per attendance list

In Attendance : Ms. P'ng Chiew Keem (Secretary)

1. COMMENCEMENT

On behalf of the Board of Directors of Chin Well Holdings Berhad (Chin Well), the Company's Chairman, Mr. Lim Cheng Ch'eng welcomed all members and invited guests present to the Company's 20th Annual General Meeting ("AGM").

The Chairman then called upon the Company Secretary to confirm the number of proxy forms received and the presence of a quorum for the Company's 20th AGM.

The Company Secretary, Ms. P'ng Chiew Keem, confirmed that 30 proxies forms were received within the prescribed period and the said proxy forms were available for members' inspection at the registration desk.

The Company Secretary also informed the Chairman that in accordance with Article 76 of the Company's Articles of Association, 2 members present in person or by proxy would constitute a quorum at a general meeting and was pleased to confirm the presence of the requisite quorum as at the commencement of the meeting.

The requisite quorum being present, the Chairman called the 20th AGM to order at 11.00 a.m.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

2. CHAIRMAN'S ADDRESS

The Company Secretary invited the Chairman to address the meeting.

The Chairman then gave the following speech:-

“Good morning, On behalf of the Board of Directors, I am delighted to present to you the Annual Report and the audited financial statements of Chin Well Holdings Berhad (Chin Well or the Group) for the financial year ended 30 June 2016 (FY2016).

Despite the arduous economic circumstances of the past year, we are very pleased to report that Chin Well continued to cultivate and grow our business in FY2016 to a greater height.

The year under review presented another challenging time for the Group, as global growth continued to face choppy commodity prices and major economies such as United States of America (USA) and Europe exhibited weak growth. The slower consumption and manufacturing data from China further dampened the already-depressed global growth, adversely affecting consumer and corporate sentiment.

Domestically, the Malaysian Ringgit (MYR) saw heightened volatility against other major international currencies including the US Dollar (USD) and Euro (EUR) on the back of sharp decline in oil prices. Malaysia managed to preserve a 5.0% growth in Gross Domestic Product (GDP) in 2015, a notable drop from 6.0% recorded in the previous year.

Adding to these global macroeconomic challenges, the international fastener sector which Chin Well is in also noted a significant change in its operating landscape.

In February 2016, the European Union Commission repealed the Anti-Dumping Duties imposed on imports of China-made fasteners into Europe with immediate effect. While this ruling applied only to a limited range of products also manufactured by Chin Well (i.e. bolts), the Group overcame this challenge by maintaining close relationships with our European customers and by leveraging on our longstanding record of producing consistent product quality and reliable delivery.

In all, in the face of these drawbacks, we managed to grow from strength to strength, delivering commendable growth and returns to our shareholders.

FY2016 Financial Performance

Chin Well achieved a 1.1% higher revenue of RM508.1 million in FY2016 versus RM502.4 million a year ago. The record performance is attributed to sturdier domestic sales which alleviated the slowing and lacklustre sales in Europe.

Although revenue from Europe tapered to RM261.9 million from RM279.9 million previously, the Eurozone remained the largest contributor to group revenue in the year under review at 51.5%.

On the other hand, revenue from Malaysia surged 36.9% to RM150.9 million in FY2016, accounting for 29.7% of the total group revenue. The revenue growth was mainly attributed to higher sales from trading of steel bars and stronger sales of downstream wire products.

Cumulatively, the Group achieved a commendable net profit attributable to shareholders of RM62.3 million against RM40.7 million last year. This was boosted by the product mix, foreign exchange gain, and consolidated net profits from Chin Well Fasteners (Vietnam) Co. Ltd for FY2016, versus a five-month full contribution in the previous year.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

The Group's balance sheet as at 30 June 2016 continued to be reinforced with total cash and bank balances growing to RM133.0 million from RM55.2 million previously. Total borrowings amounting to RM60.3 million are made up of only trade-related short term borrowings.

The stronger cash flows coupled with higher retained earnings brought shareholders' equity to rise 10.4% to RM494.6 million as opposed to RM448.0 million in FY2015. All in all, Chin Well maintained its net cash position in accordance with the Group's prudent financial policy.

Dividends

The Group had established a dividend policy of distributing at least 40% of group net profit to shareholders since the financial year ended 30 June 2014.

In FY2016, Chin Well declared and paid total dividends amounting to 8.50 sen per share, through two interim single-tier dividends of 4.00 sen and 4.50 sen respectively. The total dividend payout of RM25.5 million constituted 40.9% of group net profit, in line with the Group's dividend policy.

Forward Strategies

The global economy moving forward is expected to be more challenging as the price of commodities continue to be uncertain in the face of lacklustre growth in advanced economies. The International Monetary Fund has revised global growth forecasts downwards to 3.4% compared to the earlier forecast of 3.5% for 2017.

On the domestic front, the World Bank projected that the Malaysian economy will expand 4.5% in 2017, compared to a slower growth of 4.4% forecasted for 2016.

Going forward, the Group will endeavour to continue our growth momentum, building on our foundation thus far.

Firstly, we will continue to bank on our home-ground advantage in Malaysia, where we are favourably positioned in terms of pricing and geographical coverage, allowing us to further expand our market reach domestically. We also hope to ride on the infrastructure boom in Malaysia, in line with the rollout of construction projects in the future.

Secondly, we will continue to engage with European and other overseas customers to maintain our global market share and competitiveness. Specifically, we aim for higher sales to existing Do-It-Yourself retailers in Europe and USA, whilst also seeking more of such customers in other regions.

Thirdly, we intend to grow our foothold in the wire products segment. We will continue to expand our wire product customers, and introduce a new product range related to chicken wire mesh, in order to increase our current product offerings comprising gabion, fences and galvanised wire.

The financial year ending 30 June 2017 will definitely be both exciting and challenging to us. We will focus on increasing our competitive edge by being efficient and by having a wide range of products so that we will be a one-stop supplier to our customers.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

Appreciation

I wish to take this opportunity to extend my gratitude to the Board of Directors and the management team and to our valued employees for their relentless efforts and resolve which have resulted in our commendable achievements for FY2016.

Lastly, to our customers, business associates and shareholders, we wish to thank you for your vote of confidence and we look forward to your continuous support in the coming year."

3. NOTICE OF MEETING

The notice convening the 20th AGM had been sent to all members, Bursa Malaysia Securities Berhad, the Stock Exchange and the auditors of the Company in accordance with the Company's Articles of Association.

As there were no objections from the floor, the notice convening the AGM was taken as read.

4. POLL VOTING AND SCRUTINEERS

The Chairman then informed members and proxies present that a total of 10 resolutions would be tabled for approval by members at this AGM and accordingly, all the 10 resolutions would be voted upon by poll.

He also informed that a poll would be carried out after the last agenda for today's AGM had been completed.

Members and proxies present also been notified that the Company had appointed Mr. Thanabalasingam A/L S. Manickam of Messrs. Niche Unity Consultants Sdn. Bhd. as the Independent Scrutineers for the polling and votes counting process.

5. AUDITED FINANCIAL STATEMENTS

The 1st agenda on the morning's meeting was to receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of Directors and Auditors thereon.

The Chairman then asked members present whether they had any questions on the said financial statements.

As there were no questions from the floor, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of Directors and Auditors thereon, were thus received.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

6. RESOLUTION NO. 1 - RE-ELECTION OF MR. TSAI YUNG CHUAN

The Chairman proceeded to the 1st resolution and that was to re-elect of Mr. Tsai Yung Chuan who was retiring by rotation as a Director of the Company in accordance with Article 102(1) of the Company's Articles of Association and being eligible, had offered himself for re-election.

The Chairman then welcomed questions from the floor and there was none.

He then informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

7. RESOLUTION NO. 2 - RE-ELECTION OF LIM CHIEN CH'ENG

The next resolution was on the re-election of Mr. Lim Cheng Cheng as a Director of the Company.

As this resolution concerned the re-election of the Chairman himself, the Chairman called upon the Company Secretary, Ms. P'ng Chiew Keem to take over the chair.

Ms. P'ng Chiew Keem, the Company Secretary informed members present that Mr. Lim Cheng Ch'eng, the Company's Chairman was also retiring by rotation as a Director of the Company pursuant to Article 102(1) of the Company's Articles of Association and being eligible, had offered himself for re-election.

She then welcomed questions from the floor.

As there were no questions concerning the re-election of the Company's Chairman, the Company Secretary informed members and proxies present that a poll would be conducted upon completion of the remaining business of this AGM.

The Company Secretary then handed over the chair to Mr. Lim Cheng Ch'eng to continue with the meeting.

8. RESOLUTION NO. 3 - RE-APPOINTMENT OF UNG PENG JOO

The Chairman informed that the next resolution was to consider and if thought fit, to pass with or without modifications, the special resolution in accordance with Section 129(6) of the Companies Act, 1965 to re-appoint Mr. Ung Peng Joo who was retiring as a Director of the Company pursuant to Section 129(2) of the Companies Act, 1965 to hold office until the conclusion of the next AGM of the Company.

The Chairman then welcomed questions from the floor and there was none.

He then informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

9. RESOLUTION NO. 4 - PAYMENT OF DIRECTORS' FEES

The Chairman moved on to the next item on the agenda and that was to approve the payment of Directors' Fees for the financial year ended 30 June 2016. He then welcomed questions from the floor and there was none.

The Chairman then informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

10. RESOLUTION NO. 5 – RE-APPOINTMENT OF AUDITORS

The next agenda was to re-appoint Messrs. Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Members present were informed by the Chairman that the current auditors, Messrs. Grant Thornton, was retiring as auditors of the Company at this AGM and they had indicated their willingness to accept re-appointment to hold office until the conclusion of the next AGM of the Company.

He then welcomed questions from the floor.

As there were no questions raised, the Chairman informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

11. RESOLUTION NO. 6 – PROPOSED CONTINUATION OF MR. LIM CHIEN CH'ENG AS INDEPENDENT DIRECTOR (SPECIAL BUSINESS)

The Chairman informed members present that the proposed resolutions nos. 5, 6 and 7 under Special Business, if passed, would allow the Independent Non-Executive Directors, namely Mr. Ong Eng Choon, Mr. Ung Peng Joo and himself to be retained and continue acting as Independent Non-Executive Directors of the Company to fulfill the requirements of the Main Market Listing Requirements and to be in line with the recommendations of the Malaysian Code of Corporate Governance 2012. The details of justifications were set out in the Company's Annual Report for the financial year ended 30 June 2016.

The Chairman then asked the Company Secretary to take over the Chair again as the next resolution was concerning his re-appointment as Independent Non-Executive Director of the Company.

The Company Secretary thanked the Chairmn and informed members and proxies present that the Resolution No. 6 was to consider and approve the continuation of the Company's Chairman, Mr. Lim Chien Ch'eng as the Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.

As there were no questions from the floor, she informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

The chair was handed back to Mr. Lim Cheng Ch'eng to continue with the meeting.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

12. RESOLUTION NO. 7 - PROPOSED CONTINUATION OF MR. ONG ENG CHOON AS INDEPENDENT DIRECTOR (SPECIAL BUSINESS)

The next resolution under Special Business was also to consider and if thought fit, to pass with or without modifications, the approval for Mr. Ong Eng Choon to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.

The Chairman then welcomed questions from the floor and there was none.

He informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

13. RESOLUTION NO. 8 – PROPOSED CONTINUATION OF MR. UNG PENG JOO AS INDEPENDENT DIRECTOR (SPECIAL BUSINESS)

The Chairman then proceeded to the next agenda under Special Business and that was to consider and if thought fit, to pass with or without modifications, the Resolution No. 8 on the proposed continuation of Mr. Ung Peng Joo in office as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.

The Chairman then welcomed questions from the floor.

As there were no questions raised, the Chairman informed members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

14. RESOLUTION NO. 9 – PROPOSED RENEWAL OF GENERAL MANDATE FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (SPECIAL BUSINESS)

The Chairman moved on to the next resolution under special business and that was to consider and if thought fit, to pass with or without modifications, the Resolution No. 9 on the proposed renewal of general mandate for the Directors to allot and issue new shares pursuant to Section 132D of the Companies Act, 1965.

He then informed members that this resolution was to seek a renewal of the general mandate for the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued and paid up share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting would expire at the conclusion of the next AGM.

The rationale for obtaining this mandate at this AGM was to provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

As at the date of this AGM, the Company had not issued any new shares pursuant to the general mandate granted at the last AGM of the Company.

The Chairman welcomed questions from the floor and there was none.

Mr. Koon Yew Yin, the proxy for M/s. Maybank Nominees (Tempatan) Sdn. Bhd. stood up and informed the Chairman that he fully supported the proposed resolution because when the share prices had gone up, Chin Well could leverage on them by issuance of new shares up to 10% via private placement. The fresh funds raised could then be deployed to acquire new subsidiaries of similar business or for other expansion.

The Chairman thanked Mr. Koon for his valuable input and proceeded to inform members and proxies present that a poll would be conducted upon completion of the remaining business of the meeting.

15. RESOLUTION NO. 10 – PROPOSED SHARE BUY-BACK (SPECIAL BUSINESS)

The final resolution on this morning's agenda under special business was to consider and if thought fit, to pass with or without modifications, the Resolution No. 10 on the proposed share buy-back by the Company of up to 10% of the issued and paid-up share capital of the Company.

The Chairman informed members and proxies present that this resolution, if pass, would enable the Directors of the Company to purchase the Company's shares up to 10% of the issued and paid-up share capital of the Company by utilizing the funds allocated which should not exceed the retained profits and share premium of the Company. This mandate, unless revoked or varied by the shareholders of the Company in general meeting would expire at the conclusion of the next AGM.

He then welcomed questions from the floor.

Mr. Lim Wui Hung, the proxy of M/s. HLIB Nominees (Tempatan) Sdn. Bhd. asked the rationale for the Company to undertake this exercise versus the earlier proposed Resolution No. 9 on new issuance of shares.

The Chairman replied that the rationale for the proposed share buy-back were as follows:

- a) The Company could utilize its surplus financial resources to buy back Chin Well shares from the open market;
- b) The shares so purchased, the Company could distribute them as share dividends to shareholders as a reward to the shareholders of the Company; and
- c) The Company could reduce its share capital base by cancelling the Chin Well shares so purchased thus increasing the likelihood of a higher dividend rate being declared in the future.

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

Mr. Koon Yew Yin, the proxy for M/s. Maybank Nominees (Tempatan) Sdn. Bhd. informed the Chairman that he fully supported the proposed share-buy exercise. He then explained to Mr. Lim Wui Hung that the earlier proposed resolution was for raising fresh fund via 10% private placements whilst this resolution was for Chin Well to buy-back its own shares. If Chin Well bought back 10% shares and cancelled them, every shareholder would literally be richer by 10% for doing nothing!

The Chairman thanked Mr. Koon Yew Yin for his support and explanation to Mr. Lim Wui Hung. He then informed members and proxies present that a poll would be conducted upon completion of the remaining business of this AGM.

16. ANY OTHER BUSINESS

The Chairman confirmed that the Company had not received any notice for any other business at this 20th AGM.

17. POLL VOTING

The Chairman then briefed members and proxies present on the polling process.

Members and proxies present proceeded to complete the poll voting slips for the 10 resolutions and were guided to drop their poll voting slips into the ballot box located at the hall.

After the completed poll voting slips were dropped into the ballot box by the members and proxies present, the Chairman adjourned the meeting for half an hour to enable the independent scrutineers to tabulate the votes.

18. RESULTS OF THE VOTES

The Company's 20th AGM resumed at 11.50 a.m. and the results of votes as confirmed and certified by the independent scrutineers, Mr. Thanabalasingam A/L S. Manickam of Messrs. Niche Unity Consultants Sdn. Bhd. were as follows:-

Resolution	No. of shares and % voted		Abstain
	For	Against	
Resolution 1 – Re-election of Tsai Yung Chuan as a Director	186,522,746 (97.9908%)	3,824,500 (2.0092%)	3,966,300
Resolution 2 – Re-election of Lim Chien Ch'eng as a Director	190,066,246 (99.8524%)	281,000 (0.1476%)	3,966,300
Resolution 3 – Re-appointment of Ung Peng Joo as a Director	190,066,246 (99.8524%)	281,000 (0.1476%)	3,966,300
Resolution 4- Payment of Directors' fee	194,313,446 (99.9999%)	100 (0.0001%)	0
Resolution 5- Re-appointment of auditors	194,313,546 (100%)	0	0

CHIN WELL HOLDINGS BERHAD

(Company No. 371551-T)

Minutes of 20th AGM held on 18.11.2016

Resolution	No. of shares and % voted		Abstain
	For	Against	
Resolution 6- Continuation of Lim Chien Ch'eng in office as Independent Director	190,1533,546 (99.8982%)	193,700 (0.1018%)	3,966,300
Resolution 7 – Continuation of Ong Eng Choon in office as Independent Director	190,347,246 (100%)	0	3,966,300
Resolution 8 – Continuation of Ung Peng Joo in office as Independent Director	190,347,246 (100%)	0	3,966,300
Resolution 9 – Proposed Renewal of General Mandate for Directors to Allot and Issue New Shares	188,650,446 (97.0856%)	5,663,100 (2.9144%)	0
Resolution 10 – Proposed Share Buy-Back	194,313,546 (100%)	0	0

The Chairman declared all the resolutions put to the 20th AGM were carried.

18. TERMINATION

The meeting was declared closed at 12.00 p.m. with a vote of thanks to the Chair as proposed by Mr. Koon Yew Yin.

CONFIRMED CORRECT,



LIM CHIEN CH'ENG

Chairman