

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

(Incorporated in Malaysia)

MINUTES OF GENERAL MEETING

MINUTES OF THE TWENTY-THIRD 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 WEDNESDAY, 27 NOVEMBER 2019 AT 11.00 A.M.

- Present : Mr. Lim Chien Ch'eng (In the Chair)
 Mr. Tsai Yung Chuan
 Madam Tsai Chang Hsiu-Hsiang
 Puan Sharmin Fazlina Binti Mohd Shukor
 Mr. Ang Seng Oo
 Mr. Low Yeaw Seng
 and 11 other shareholders and proxies as per attendance list
- By Invitation : 4 invited guests as per Attendance List
- In Attendance : Mr. Lee Peng Loon (Company Secretary)

1. COMMENCEMENT

On behalf of the Board of Directors of Chin Well Holdings Berhad ("Chin Well" or "the Company"), the Company's Chairman, Mr. Lim Chien Ch'eng welcomed all members and invited guests present to the Company's 23rd Annual General Meeting ("AGM").

Before the Chairman proceeded with the meeting's agenda, he informed members present that the AGM acts as a forum for interactions with members and members present should participate actively.

Without further delay, he called upon the Company Secretary to confirm the number of proxy forms received and the presence of a quorum for the Company's 23rd AGM.

The Company Secretary, Mr. Lee Peng Loon, confirmed that 16 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 Regulation 82 of the Company's Constitution, 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 23rd AGM to order at 11.05 a.m.

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

2. CHAIRMAN'S ADDRESS

The Company Secretary invited the Chairman to address the meeting.

The Chairman again welcomed all members, proxies and invited guests and thanked them for their kind presence at the Company's 23rd AGM.

The Chairman reported to members that the financial year 2019 (FY2019) was indeed a year filled with uncertainties and volatilities impacted by various macroeconomic concerns. Amid the challenging business environment, the Group managed to close the financial year with a set of respectable results.

The Group's revenue rose by 15.13% by RM89.44 million to RM680.73 million as compared to the revenue of RM591.29 million recorded in FY2018. The Fasteners division had contributed about 76% to the Group's total revenue whilst the remaining revenue was from the Wire division.

In FY2019, the Group recorded a gross profit of RM97.96 million as opposed to RM98.80 million in FY2018. The marginal decline was mainly due to product mix where profit margin derived from trading of steel bar was lower than the profit margin from the sale of fastener products coupled by higher material cost. Additionally, in April 2019, the Group also incurred some start up cost for a new production line for the Wire Division which further eroded the profits of the Group.

Other income of the Group increased by 13% to RM8.82 million in FY2019 as compared to RM7.82 million in FY2018 and this driven by higher FOREX gains resulted from the weakening of Malaysian Ringgit against USD during the financial year.

Interest expense was at RM3.02 million, an increase of RM1.64 million versus FY2018 and this was due to loan drawdown for working capital purposes and the increase in the interest rates of bank borrowings.

With combinations of the above factors, the Group posted a higher profit before tax of RM68.82 million in FY2019 versus RM66.74 million in FY2018.

Dividends

The positive results had enabled the Group to pay total dividends amounting to 7.85 sen per share through two interim single-tier dividends of 4.50 sen and 3.35 sen respectively. The total dividend payout represented 40.04% of the Group's net profits.

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

The Year Ahead 2019

Moving forward, the DIY fasteners segment remained as the Company's main focus where the Company is targeting more orders to be secured from the US while China is losing their competitiveness due to unwavering tariffs and other trade costs effects. Beside DIY products, the operation in Vietnam had started the production of reinforcement bar connectors for the South-East Asia market whilst the Company Malaysian's manufacturing plant has been expanding on its threaded rod productions.

As for the Company's Wire division, the upgraded upstream production line which commenced in April this year is expected to enhance the production efficiency as well as quality improvement which in turn reduce the product cost of this division.

The Company thus optimistic in the Group's business and the performance for next financial year.

Acknowledgements

In closing, the Chairman extended his appreciation to the Board of Directors for their invaluable contribution towards the Group, developing and steering it through the challenges over the years.

On behalf of the Board he thanked the management staff and employees of the Group for their hard work that has kept the Group going and achieving great results.

Finally he extended his gratitude to all business partners and shareholders for their support. He thanked them for the belief that they had placed in the Company and the Company will continue to work towards delivering greater shareholder value in the years ahead.

3. NOTICE OF MEETING

The notice convening the 23rd AGM had been sent to all members, Bursa Malaysia Securities Berhad, the Stock Exchange and Messrs. Grant Thornton, the auditors of the Company in accordance with the Company's Constitution.

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 8 resolutions would be tabled for approval by members at this AGM and accordingly, all the 8 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.

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

Members and proxies present were informed that the Company had appointed Niche Unity Consultants Sdn. Bhd. as the Independent Scrutineers for the polling and votes counting verification.

5. AUDITED FINANCIAL STATEMENTS

The first agenda on the morning's meeting was to receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of Directors and Auditors thereon.

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

A shareholder, Mr. Ng Swee Kiang noted that from the Statement of Comprehensive Income, the finance cost had increased from RM1.38 million to RM3.02 million and requested for the reason for the increased of financial cost.

The Finance Controller, Ms. Lye informed Mr. Ng Swee Kiang and shareholders present that the increase was due to higher bank borrowing for working capital purpose such as purchase of raw materials.

As there were no more questions from the floor, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of Directors and Auditors thereon, were thus tabled and received.

6. RESOLUTION NO. 1 - RE-ELECTION OF MR. LIM CHIEN CH'ENG

The first resolution was on the re-election of Mr. Lim Cheng Ch'eng as a Director of the Company.

As this resolution concerned the re-election of the Chairman himself, the Chairman called upon the Company Secretary, Mr. Lee Peng Loon to take over the chair.

Mr. Lee Peng Loon, the Company Secretary informed members present that Mr. Lim Cheng Ch'eng was retiring by rotation as a Director of the Company in accordance with Regulation 111 of the Company's Constitution and being eligible, had offered himself for re-election.

He then welcomed questions from the floor.

As there were no questions raised, the Company Secretary informed members and proxies present that a poll on this resolution would be carried out upon completion of the remaining business of the meeting.

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

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

7. RESOLUTION NO. 2 - RE-ELECTION OF PUAN SHARMIN FAZLINA BINTI MOHD SHUKOR

The Chairman informed members and proxies present that the next resolution was on the re-election of Puan Sharmin Fazlina Binti Mohd Shukor who was also retiring by rotation as a Director of the Company in accordance with Regulation 111 of the Company's Constitution and being eligible, had offered herself for re-election.

The Chairman then welcomed questions from the floor.

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

8. RESOLUTION NO. 3 - 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 amounting to RM270,000 for the financial year ended 30 June 2019.

The Chairman then welcomed questions from the floor.

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

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

The Chairman informed members and proxies present that the next resolution was to approve the payment of Directors' Benefits up to an amount not exceeding RM60,000 from 28 November 2019 until the conclusion of the next AGM of the Company.

The Chairman then welcomed questions from the floor.

As there were no questions raised, the Chairman informed members and proxies present that a poll on this resolution would be carried out 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 to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

Members and proxies 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.

The Chairman then welcomed questions from the floor.

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

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

11. RESOLUTION NO. 6 – PROPOSED RENEWAL OF GENERAL MANDATE FOR DIRECTORS TO ALLOT AND ISSUE SHARES (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. 8 on the proposed renewal of general mandate for the Directors to allot and issue shares.

He then informed members and proxies present that the Resolution No. 8, if passed, would allow the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued capital of the Company for the time being for such purposes as the Directors considered would be in the best interest 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.

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.

He then informed members and proxies present that 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 then welcomed questions from the floor.

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

12. RESOLUTION NO. 7 – PROPOSED SHARE BUY-BACK RENEWAL (SPECIAL BUSINESS)

The next resolution under special business was to consider and if thought fit, to pass with or without modifications, the Resolution No. 7 on the proposed renewal of share buy-back authority of up to 10% of the total number of issued share of the Company.

The Chairman informed members and proxies present that the proposed resolution, if passed, would enable the Directors of the Company to purchase its own shares up to 10% of the total number of issued share of the Company by utilising the funds allocated which should not exceed the retained profits 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 Chairman then welcomed questions from the floor.

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

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551- T)

Minutes of 23rd AGM held on 27.11.2019

13. SPECIAL RESOLUTION NO. 1 – PROPOSED AMENDMENT OF THE CONSTITUTION (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 Special Resolution for the directors to amend the existing Constitution of the Company for administrative and clarification purposes.

The Chairman then welcomed questions from the floor.

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

14. ANY OTHER BUSINESS

The Chairman confirmed that the Company had not received any notice to transact any other business at this 23rd AGM.

15. 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 8 resolutions and were guided to drop their poll voting slips into the ballot box located at the hall.

After all 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.

16. RESULTS OF THE VOTES

The Company's 23rd AGM resumed at 11.50 a.m. and the results of votes as confirmed and certified by the Independent Scrutineers, Niche Unity Consultants Sdn. Bhd. were as follows:-

Resolutions	No. of shares and % voted	
	For	Against
Resolution 1 – Re-election of Lim Chien Ch'eng as a Director	211,805,542 (99.974203%)	54,654 (0.025797%)
Resolution 2 – Re-election of Puan Sharmin Fazlina Binti Mohd Shukor as a Director	211,860,196 (100%)	0
Resolution 3 – Payment of Directors' Fee	211,859,196 (100%)	0
Resolution 4 - Payment of Directors' Benefits	211,859,196 (100%)	0
Resolution 5- Re-appointment of Auditors	211,859,196 (100%)	0

CHIN WELL HOLDINGS BERHAD

Registration No. 199501042347 (371551-T)

Minutes of 23rd AGM held on 27.11.2019

Resolutions	No. of shares and % voted	
	For	Against
Resolution 6 – Proposed Renewal of General Mandate for Directors to Allot and Issue New Shares	203,438,196 (96.025190%)	8,421,000 (3.974810%)
Resolution 7 – Proposed Share Buy-Back Renewal	211,860,196 (100%)	0
Special Resolution 1 – Proposed Amendments of the Constitution	211,859,196 (100%)	0

The Chairman declared all the resolutions put to the 23rd AGM were carried.

17. TERMINATION

The meeting was declared closed at 12.00 p.m. with a vote of thanks to the Chair.

CONFIRMED CORRECT,



LIM CHIEN CH'ENG

Chairman