

NOTION VTEC BERHAD
Registration No. 200301035125 (637546-D)

MINUTES OF THE NINETEENTH (“19TH”) ANNUAL GENERAL MEETING (“AGM”) OF NOTION VTEC BERHAD (“**THE COMPANY**” OR “**NVB**”) HELD AT THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, MANUKA 2 & 3 MEETING ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR (“**BROADCAST VENUE**”) ON THURSDAY, 2 MARCH 2023 AT 9.30 A.M.

PRESENT:

DIRECTORS

| | | |
|------------------------------|---|--|
| Mr Thoo Chow Fah (Chairman) | - | Also a shareholder and proxy for shareholder as per Attendance Sheets attached |
| Mr William Choo Wing Hong | - | Also a shareholder |
| Mr Jerry Choo Wing Yew | - | Also a shareholder |
| Mr John Choo Wing Onn | - | Also a shareholder |
| Mr Lee Tian Yoke | - | Also a shareholder |
| Ms Teh Su-Ching | - | Also a shareholder |
| Dato’ Abu Bakar Bin Mohd Nor | - | Also a shareholder |

IN ATTENDANCE

| | | |
|---------------------|---|-------------------|
| Ms Evelyn Tan Li Yi | - | Company Secretary |
|---------------------|---|-------------------|

The list of shareholders, proxies and invitees who attended the Meeting are set out in the Attendance Listing attached and shall form an integral part of these Minutes.

1. CHAIRMAN

Mr Thoo Chow Fah, being the Chairman of the Board of Directors presided as Chairman of the Meeting and welcomed all shareholders, proxies and invitees (“**Participants**”) to the 19th AGM conducted through live streaming and online voting via Remote Participation and Voting (“**RPV**”) facilities which is in compliance with Section 327 of the Companies Act 2016 (“**the Act**”) and Clause 64 of the Constitution of the Company.

The Chairman then proceeded to introduce the Board of Directors and the Company Secretary who were in attendance with him at the Broadcast Venue and the Auditors of the Company who were participated in the Meeting remotely.

2. QUORUM AND SUMMARY OF PROXIES RECEIVED

The Secretary confirmed that a quorum was present. Based on the report issued by the Share Registrar, a total of 71 members comprising shareholders, proxies and corporate representatives, representing 90,299,784 ordinary shares or 17.51% of the total issued share capital of the Company have registered to attend the Meeting via RPV.

The Company had received in total 16 proxy forms from the shareholders for a total of 53,269,366 ordinary shares representing 10.33% of the issued share capital of the Company.

Out of these, there was 1 shareholder who has appointed the Chairman of the Meeting as proxy to vote on his/her behalf and the shares so represented stood at 8,250,000, which represented 1.60% of the total issued share capital of the Company.

With the requisite quorum being present, the Meeting was called to order at 9.30 a.m.

3. NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated within the prescribed period was with the permission of the Meeting taken as read. The Chairman then proceeded with the business of the AGM.

The Chairman further invited the shareholders and proxies to raise questions by transmitting via the query box.

4. VOTING PROCEDURES

The Meeting noted that it is mandatory for any resolution to be passed at general meeting to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Accordingly, the Chairman directed the poll to be taken on the resolutions set forth in the Notice of the AGM and subsequently to be conducted by way of electronic polling.

The Chairman further informed that the Company has appointed Tricor Investor & Issuing House Services Sdn Bhd to conduct the poll voting electronically and Asia Securities Sdn Bhd as the Scrutineer to verify the poll results. The results of the poll voting will be announced after the Scrutineer has verified the poll results upon closure of the voting session.

Shareholders and proxies were informed that the voting on the resolutions could be done any time throughout the Meeting until the closure of the voting session. The process of voting was shared by the Poll Administrator vide video presentation.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements of the Group and of the Company for the financial year ended 30 September 2022 ("AFS 2022") together with the Directors' and Auditors' Reports thereon were meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of the shareholders.

It was recorded that the AFS 2022 together with the Directors' and Auditors' Reports thereon were properly laid and had been duly received.

6. RE-ELECTION OF DIRECTORS

Ordinary Resolutions 1 to 3 are to approve the re-election of the following Directors who retire pursuant to Clause 95 of the Constitution of the Company and being eligible, have offered themselves for re-election:

| Ordinary Resolution | Re-election of: |
|----------------------------|------------------------|
| 1 | Mr Thoo Chow Fah |
| 2 | Mr Choo Wing Hong |
| 3 | Mr Lee Tian Yoke |

7. DIRECTORS' FEES AND BENEFITS PAYABLE

Ordinary Resolution 4 is to approve the payment of Directors' Fees of up to RM350,000 and benefits payable to the Directors of the Company of up to RM50,000 from 2 March 2023 until the conclusion of the next AGM of the Company.

The interested Directors who are also shareholders of the Company have abstained from voting on the resolution.

8. RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5 is on the re-appointment of Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. The Auditors, Crowe Malaysia PLT who retired, have indicated their willingness to accept the re-appointment. Having concluded the Ordinary Business of the AGM, the Chairman proceeded to the special business of the Meeting.

9. AUTHORITY TO ALLOT AND ISSUE SHARES

Ordinary Resolution 6 is to seek shareholders' approval on the authority for the Directors to allot and issue shares up to a maximum ten per centum (10%) of the total number of issued shares of the Company. This mandate if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s).

10. EX-GRATIA PAYMENT TO MS ANITA CHEW CHENG IM ("ANITA CHEW")

Ordinary Resolution 7 is to seek shareholders' approval for granting an ex-gratia payment of RM150,000 to Ms Anita Chew, who has resigned as an Independent Non-Executive Director ("**INED**") on 20 January 2023, in recognition and appreciation of her past service and contribution to the Company.

11. QUESTION AND ANSWER SESSION

The Meeting noted that the Company had received a letter from Minority Shareholders Watch Group ("**MSWG**") seeking clarification/information on several issues pertaining to operational, financial and corporate governance matters. The Chairman shared the responses to the questions raised by MSWG vide video presentation, details of which as set out below:

1. *The Group's other income increased to RM50.8 million (2021: RM16.5 million) [Page 69 of Annual Report 2022 ("**AR 2022**")].*

What are the major items comprising other income and what is the breakdown?

Other income of RM50.8 million comprised mainly the insurance claim received of RM32.6 million, foreign exchange gain of RM9.3 million and reversal of inventories written down of RM2.8 million.

2. *Bad debts written off amount to RM951,000 (2021: Nil) (Page 71 of AR2022).*

What comprises the bad debts that have been written off? What were the measures taken to recover the RM951,000 prior to being written-off?

The bad debts incurred were in respect of the sales of nitrile gloves. Disputes arose due to the quality issues. Subsequently, legal letters of demand were sent to the respective debtors.

3. *Deposit written off amount to RM848,000 (2021: RM6,000) (Page 71 of AR 2022).*

(a) *What was the deposit related to?*

The deposit was related to the purchase of raw materials.

(b) *What is the reason for the huge sum of deposit being written off?*

Huge sum of deposit was being written off mainly due to the cancellation of the contract subsequent to the non-performance by the supplier.

(c) *What are the measures to be taken by the Board to mitigate future reoccurrence of the Group losing its deposit?*

Management will negotiate the terms of the contract to minimise such risk exposure to the Company.

4. *Inventories written down increased to RM4.9 million (2021: RM3.1 million) (Page 71 of AR 2022).*

What were the inventories that have been written down? Are these inventories written down still usable or saleable?

There was also reversal of inventories written down of RM2.8 million in 2022 (2021: RM0.8 million). The net inventories written down after taking in the reversal would be RM2.1 million (2021: RM2.3 million).

The inventories that have been written down consist of those inventories aged above two years and also those inventories which valued at the lower of cost or net realisable value.

Nonetheless, these stocks are still usable and saleable.

5. *Inventories written off increased significantly to RM2.1 million (2021: RM0.5 million) (page 71 of AR 2022).*

What is the reason for the huge increase in inventories written off? What are these inventories that have been written off?

Significant increase in inventories written off was mainly due to the flood incident happened on 18 and 19 December 2021 which had affected one of our factories in Klang. The inventories affected consist mainly the nitrile gloves.

6. *Ordinary Resolution 7 - the Company is seeking shareholders' approval to grant an ex-gratia payment of RM150,000 to Ms Anita Chew who has resigned as an INED on 20 January 2023, in recognition and appreciation of her past service and contribution to the Company (page 124 of AR 2022).*

- (a) *MSWG does not support ex-gratia payments to non-executive directors especially independent directors - their remuneration should be sufficient for their services.*

The Company recognised the dedication, time commitment and valuable expert knowledge contributed by Ms Anita Chew and this ex-gratia payment is unlikely be extended to future Independent Directors unless for exemplary services rendered.

- (b) *What was the basis used in determining the ex-gratia amount of RM150,000 to Ms Anita Chew?*

Over the years, Notion's remuneration for INEDs have been relatively modest in comparison to other listed entities of similar size and profitability.

Ms Anita Chew was appointed to the Board on 29 June 2007 as an INED. During her tenure, Ms Anita Chew has also served as Chairperson of the Audit and Risk Management Committee and Nomination Committee and Member of the Remuneration Committee.

The proposed ex-gratia payment was recommended in recognition and appreciation of Ms Anita Chew's commitment, dedication and contribution to the Company and as gesture of appreciation for her long term tenure and dedicated service rendered to the Company.

Should the proposed Ordinary Resolution 7 be approved by shareholders, it will be a one-off payment from the Company and shall be paid in 2023.

- (c) *Does this mean that there may be future such ex-gratia payments to INEDs who leave the Board?*

As mentioned in Question 6(a), this is an exception rather than a rule and only for exemplary services rendered.

The Company has also received several questions from the shareholders and proxies before and during the AGM via the query box. The questions raised were succinctly addressed by the Chairman as set out below:

1. *Several shareholders were enquired if the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation.*

The Chairman informed that no voucher will be given for participating this AGM as the Company is committed to focus on delivering better financial performance so as to maximise the shareholders' return.

2. *Mr Lau Chuan Hooi enquired the future outlook of the Company.*

The Chairman shared with the Meeting on the future outlook of the Group's respective business segments. The Company envisages a strong prospect for the Electronic Manufacturing Services segment and expects that the performance of the automotive segment to be relatively stable in year 2023. As for the Hard Disk Drive, the demand is lower currently but Management expects that this segment will rebound from June 2023 onwards. Meanwhile, the demand for Personal Protective and Equipment ("PPE") is not expected to rebound in the near term due to lower demand and increased competition, whilst the single-lens reflex (SLR) camera segment is in a structural industry decline due to intense competition from rapid rise of smartphone photography.

Nonetheless, Management will continuously look into various business opportunities in an effort to bring growth to the Company and thereby increase the shareholders' value.

3. *Mr Kow Lih Shi enquired on the following:-*

- (i) *What can the Company do to ensure healthy financial cash flow and is the Company able to pay high dividend?*

The Chairman shared with the Meeting that the Management is optimistic to achieve a profitable year in 2023. The Company will reinstate its dividend policy by paying 30% of the Group after tax after deducting the non-operating income and income from minority interest as dividend upon operating on a stable cash flow basis.

- (ii) *Can the Company exclude from the Prosperity Tax (Cukai Makmur)? How can the Company earn back the extra amount spent in tax?*

The Chairman informed that the prosperity tax is not applicable to the Company given that the prosperity tax is targeted to companies which have income above RM100 million.

- (iii) *How will the Company overcome the depreciation of the Ringgit?*

The Chairman informed that given that the Group's customers are largely from the United States and Europe, hence, depreciation of the Malaysian Ringgit is beneficial to the Group.

4. *Mr Teh Peng Tin enquired how much does the Company spend on holding a virtual AGM.*

The Chairman informed that the Company would incur approximately RM15,000 for holding a virtual AGM.

5. *Ms Koh Chooi Peng enquired on the following:-*

(A) *The net realisable value of the finished goods as at 30 September 2022 stood at RM12.436 million whilst the cost of the finished goods stood at RM29.799 million (Page 91 of the AR 2022).*

- (i) *How much of the finished goods comprised of rubber gloves and face masks?*

Mr Jerry Choo Wing Yew (“**Mr Jerry Choo**”) informed that the net realisable value of the finished goods of gloves stood at RM12.2 million.

- (ii) *The inventories written down and written off totaling at RM7.045 million are much lower than the difference between the cost and net realisable value. Please explain.*

Mr Jerry Choo explained that the difference between the cost and net realisable value of the finished goods was recorded at RM17.363 million, of which approximately RM10 million had been written down in FY2021 and approximately RM7 million were written down in FY2022.

(B) *The trade receivables have increased by RM31.289 million to RM114.027 million in FY2022 as compared to RM82.738 million in FY2021.*

- (i) *How much of these trade receivables comprise of rubber gloves and face masks?*

Mr Jerry Choo responded that such trade receivables relate mainly the precision machining business, hence, the trade receivables from the PPE segment are minimal.

- (ii) *As at 30 September 2022, the credit terms of trade receivables, which range from 31 to 120 days have increased to RM14.715 million. However, the impairment loss on receivables was less than RM1 million. Please explain.*

Mr Jerry Choo informed that the impairment loss on receivables was less than RM1 million as the Management had continued receiving payment settlement from the debtors even after the credit term.

(C) *There is a full impairment loss of RM13.142 million incurred for the PPE segment in FY2022 (Page 87 of AR 2022).*

(i) *Will these fully impaired PPE line be commissioned in FY2023? If no, why?*

The Chairman informed that the Company had decided not to invest additional capital to complete the remaining three (3) glove production lines due to the softening of global demand for the glove product. Hence, any production of glove products is then via the existing three (3) glove production lines which had commissioned production.

(ii) *Are these related to glove or mask segment?*

The Chairman informed that the full impairment loss of RM13.142 million mainly relates to the three (3) idle production lines for the gloves which had yet to be commissioned.

6. *Mr Lee Kok Keat enquired status of the insurance claim arising from the flood incident happened at Klang factory.*

The Chairman informed that the insurer had in March 2022 made an interim settlement of RM2 million and in November 2022 further made a payment of RM2.572 million to our wholly owned subsidiary, Notion Venture Sdn Bhd as full and final settlement of the flood loss at our Klang factory. The announcements in relation thereto had been made to Bursa Securities.

12. VOTING

After having addressed all the questions raised, the Chairman proceeded to inform the Meeting to proceed with voting and that the verification of the votes would take approximately 20 minutes. The Chairman placed on record that a shareholder has appointed him to be his/her proxy and he will vote according to the instructions.

The Chairman informed that the outcome of the poll would be announced after a short break as it would take some time for the Scrutineers to tabulate the results of the poll. The AGM was then adjourned at 10.00 a.m. for the shareholders and proxies to cast their votes.

POLL RESULTS

The Meeting resumed at 10.15 a.m. for the declaration of the results of the poll:-

| Ordinary Resolution 1 | Votes in favour | | Votes against | |
|---|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To re-elect Mr Thoo Chow Fah who is retiring in accordance with Clause 95 of the Constitution of the Company. | 122,997,966 | 99.9618 | 47,038 | 0.0382 |

It was RESOLVED:-

THAT Mr Thoo Chow Fah who retired in accordance with Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

| Ordinary Resolution 2 | Votes in favour | | Votes against | |
|--|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To re-elect Mr Choo Wing Hong who is retiring in accordance with Clause 95 of the Constitution of the Company. | 122,993,966 | 99.9585 | 51,038 | 0.0415 |

It was RESOLVED:-

THAT Mr Choo Wing Hong who retired in accordance with Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

| Ordinary Resolution 3 | Votes in favour | | Votes against | |
|---|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To re-elect Mr Lee Tian Yoke who is retiring in accordance with Clause 95 of the Constitution of the Company. | 122,993,966 | 99.9585 | 51,038 | 0.0415 |

It was RESOLVED:-

THAT Mr Lee Tian Yoke who retired in accordance with Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

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| Ordinary Resolution 4 | Votes in favour | | Votes against | |
|--|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To approve the payment of Directors' Fees of up to RM350,000 and benefits payable to the Directors of the Company of up to RM50,000 from 2 March 2023 until the conclusion of the next AGM of the Company. | 122,889,551 | 99.9116 | 108,764 | 0.0884 |

It was RESOLVED:-

THAT the payment of Directors' Fees of up to RM350,000 and benefits payable to the Directors of the Company of up to RM50,000 from 2 March 2023 until the conclusion of the next AGM be and is hereby approved.

| Ordinary Resolution 5 | Votes in favour | | Votes against | |
|---|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | 123,016,783 | 99.9771 | 28,221 | 0.0229 |

It was RESOLVED:-

THAT Crowe Malaysia PLT, having indicated their willingness to accept re-appointment, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM at a fee to be determined by the Directors.

| Ordinary Resolution 6 | Votes in favour | | Votes against | |
|--|------------------------|----------|----------------------|----------|
| | No. of shares | % | No. of shares | % |
| To approve the proposed authority to allot and issue shares pursuant to Section 76 of the Act. | 122,945,721 | 99.9193 | 99,283 | 0.0807 |

It was RESOLVED:-

THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute

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discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

| Ordinary Resolution 7 | Votes in favour | | Votes against | |
|--|-----------------|---------|---------------|--------|
| | No. of shares | % | No. of shares | % |
| To approve an ex-gratia payment to Ms Anita Chew Cheng Im, a former Independent Non-Executive Director of the Company. | 122,961,520 | 99.9322 | 83,484 | 0.0678 |

It was RESOLVED:-

THAT approval be and is hereby given for the Company to grant an ex-gratia payment of RM150,000 to Ms Anita Chew who has resigned as an INED on 20 January 2023, in recognition and appreciation of her past service and contribution to the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary and/or desirable to give full effect to this resolution.

CONCLUSION

The Chairman expressed his appreciation to the Participants for their attendance. There being no other business to be transacted, the Chairman declared the Meeting closed at 10.20 a.m.

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SIGNED AS A CORRECT RECORD

A handwritten signature in black ink, appearing to be 'J. K. W.', is written above a horizontal line.

CHAIRMAN