

KHIND HOLDINGS BERHAD
REGISTRATION NO.: 199601007964 (380310-D)
(“The Company” or “Khind”)
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING (“25th AGM”)
CONDUCTED ENTIRELY THROUGH LIVE STREAMING VIA TIIH ONLINE WEBSITE AT
[HTTPS://TIIH.ONLINE](https://tiih.online) OR [HTTPS://TIIH.COM.MY](https://tiih.com.my) (DOMAIN REGISTRATION NUMBER with
MYNIC: DIA282781) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES
SDN. BHD. ON FRIDAY, 25 JUNE 2021 AT 10.00 A.M.**

Present via video conferencing : Mr Cheng Ping Keat – *Executive Chairman*
Mr Wong Chin Mun - *Independent Non-Executive Director*
Mr Wong Lup Hang - *Independent Non-Executive Director*

In attendance (as per attendance list) : Mr Adil Mistry – *Chief Executive Officer*
Ms Kuan Hui Fang – *Company Secretary*
Representatives from Senior Management
Representatives from RSM Malaysia, the External Auditors

The attendance of members, corporate representatives, proxies is as per the Summary of Attendance List via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website.

OPENING SPEECH

The Chairman welcomed the members and attendees to the Company’s 25th AGM and informed that the Notice of the 25th AGM was issued and despatched to shareholders and advertised in New Straits Times on 27 May 2021. He then declared the Notice be taken as read.

The Chairman explained that in view of the announcement made by the Government of Malaysia on 28 May 2021 on the implementation of a Full Movement Control Order in Malaysia starting from 1 June 2021 and pursuant to the Securities Commission Malaysia’s revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers effective 1 June 2021 which required all meeting participants to participate in the meeting online, the Company had decided to conduct the 25th AGM as a fully virtual meeting using TIIH Online Website as the meeting platform.

On behalf of the Board of Directors, the Chairman extended his heartfelt condolences to the family of the late Senior Independent Non-Executive Director, Encik Kamil Bin Dato’ Haji Abdul Rahman, who had passed away on 2 June 2021. Encik Kamil had contributed tremendously towards the success of the Company during his tenure.

The Chairman then introduced the Board members namely Mr Wong Chin Mun and Mr Wong Lup Hang and the Chief Executive Officer, Mr Adil Mistry, who joined the meeting remotely via video conferencing. The Senior Management team, Company Secretary and Auditors were also in attendance via video conferencing.

QUORUM AND ADMINISTRATIVE ANNOUNCEMENTS

Upon confirming the presence of the requisite quorum pursuant to the Constitution of the Company, the Chairman called the meeting to order at 10.00 a.m..

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll. The Chairman demanded for a poll to be carried out on all the resolutions in the Notice of 25th AGM pursuant to the Constitution of the Company and informed that the poll would be conducted after all items on the agenda were dealt with.

The poll administrator was Tricor Investor & Issuing House Services Sdn Bhd ("Poll Administrator") and the independent scrutineer was Asia Securities Sdn Bhd ("Scrutineer").

As informed in the Notification to Shareholders on 18 June 2021, Resolutions 2 and 9 had been withdrawn due to demise of Encik Kamil Bin Datuk Haji Abdul Rahman.

The Chairman then briefed the shareholders on the flow of the meeting. The Board and Management would address the questions submitted by the shareholders electronically in advance of the 25th AGM and also the questions posed by shareholders during the 25th AGM via real-time submission of typed texts in the query box during the Question & Answer ("Q&A") session which would be conducted after dealing with the agenda items. Questions that could not be addressed during the Q&A session would either be emailed after the 25th AGM or posted on the Company's website.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("AFS 2020") AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON

The Chairman informed that the AFS 2020 together with the Directors' and Auditors' Reports was meant for discussion only as the Companies Act 2016 did not require a formal approval of the shareholders for the AFS 2020. Therefore, the item was not put forward for voting.

The Chairman declared that the AFS 2020 together with the Reports of the Directors and Auditors thereon be received.

**2. RESOLUTION 1
RE-ELECTION OF MR CHENG PING KEAT WHO RETIRES BY ROTATION
PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

As Resolution 1 dealt with the Chairman's own re-election, he requested Mr Wong Chin Mun to take the meeting through Resolution 1.

Mr Wong Chin Mun put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT Mr Cheng Ping Keat retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be hereby re-elected as Director of the Company."

He passed the chair back to the Chairman.

3. **RESOLUTION 2**
RE-ELECTION OF ENCIK KAMIL BIN DATUK HAJI ABDUL RAHMAN WHO
RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION
OF THE COMPANY

The Chairman informed that Resolution 2 had been withdrawn due to the demise of Encik Kamil.

4. **RESOLUTION 3**
RE-ELECTION OF MR WONG LUP HANG WHO RETIRES BY ROTATION
PURSUANT TO CLAUSE 78 OF THE CONSTITUTION OF THE COMPANY

The Chairman move on to the next item on the agenda was on the re-election of Mr Wong Lup Hang.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT Mr Wong Lup Hang retiring pursuant to Clause 78 of the Constitution of the Company and who being eligible, be hereby re-elected as Director of the Company."

5. **RESOLUTION 4**
SPECIAL DIRECTORS' FEES PAYABLE TO NON-EXECUTIVE DIRECTORS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Chairman proceeded to the next item on the agenda which was on the Special Directors' fees of RM52,000.00 payable to Non-Executive Directors for the financial year ended 31 December 2020.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT the Special Directors' fees of RM52,000.00 payable to Non-Executive Directors for the financial year ended 31 December 2020 be approved."

6. **RESOLUTION 5**
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

The next item on the agenda was on the payment of Directors' Fees to Non-Executive Directors.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT the Directors' fees of RM320,000.00 payable to Non-Executive Directors for the financial year ending 31 December 2021 be approved."

7. RESOLUTION 6
DIRECTORS' BENEFITS FOR THE PERIOD COMMENCING ON THE DATE IMMEDIATELY AFTER THE DATE OF THE 25TH AGM UP TO THE DATE OF THE NEXT AGM TO BE HELD IN 2022

The Chairman informed that the next item on the agenda was on Directors' benefits for the period commencing on the date immediately after the date of the 25th AGM up to the date of the next AGM to be held in 2021.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT the Directors' benefits of RM40,000.00 payable to Non-Executive Directors for the period commencing on the date immediately after the date of the 25th AGM up to the date of the next AGM to be held in 2022 be approved."

8. RESOLUTION 7
RE-APPOINTMENT OF RSM MALAYSIA AS AUDITORS OF THE COMPANY

The Chairman moved on to Resolution 7 which was on the re-appointment of RSM Malaysia as Auditors of the Company.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT RSM Malaysia be hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting."

9. RESOLUTION 8
AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman informed that Resolution 8 was on the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Resolution 8, if passed, would authorise the Directors of the Company to allot and issue not more than 10% of the issued share capital of the Company, subject to the approvals of all the relevant governmental/ regulatory bodies. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next Annual General Meeting of the Company.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also

empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

10. RESOLUTION 9
CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman informed that Resolution 9 had been withdrawn.

11. RESOLUTION 10
CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The next item on the agenda was to seek shareholders’ approval to allow Mr Wong Chin Mun to continue to serve as an Independent Non-Executive Director.

The Chairman informed that the Board of Directors had through the Nomination and Remuneration Committee, conducted an annual performance evaluation and assessment on Mr Wong Chin Mun’s independence and recommended he continues to serve as an Independent Non-Executive Director. The justifications are set out in the Corporate Governance Overview Statement of the Annual Report 2020.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT authority be and is hereby given to Mr Wong Chin Mun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

12. ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016 had been received.

Q&A SESSION

At the invitation of the Chairman, Mr Adil Jimmy Mistry, the Chief Executive Officer of the Company together with the Chairman addressed the questions submitted prior and during the 25th AGM by the shareholders.

The Q&A session attached hereto as “Appendix A”, shall form part of these minutes.

CONDUCT OF POLL

Having dealt with all with items on the agenda, the meeting then proceeded to vote on Resolutions 1, 3 to 8 and 10 by poll. The Chairman adjourned the meeting at 10.45 a.m. for the counting of votes.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman resumed the meeting at 11.07 a.m. for the declaration of the results of the poll.

Based on the poll results attached hereto as "Appendix B", the Chairman declared Resolutions 1, 3 to 8 and 10 carried.

CLOSURE

The Chairman closed the meeting at 11.10 a.m. and thanked those present for their attendance.

KHIND HOLDINGS BERHAD
REGISTRATION NO.: 199601007964 (380310-D)
 ("Company" or "Khind")
 (Incorporated in Malaysia)

QUESTION AND ANSWER SESSION OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING ("25th AGM") OF THE COMPANY HELD ON FRIDAY, 25 JUNE 2021 AT 10.00 A.M.

1. As mentioned in Page 10 of Annual Report, in 2020 The Group "has doubled its online sales"
 - i. What is the early strategic planning which has made it a success?
 - ii. What is the contribution of online sales out of the total sales?
 - iii. How is the margin of online sales versus traditional sales?
 - iv. How much sales is generated from Khind Online versus third party platform?

The Company's response:

The Group had invested in online platforms earlier on and this gave the Group an advantage/competitive edge during Movement Control Order ("MCO"). Online sales contributed approximately 7% of the total sales. The bulk of the sales is through dealers. Dealers sell Khind products on their online platforms. Gross profit margin has been constant. However, online sales gives more operational savings compared with traditional sales due to its different business model. 1% of sales were generated from Khind Online while 6% of sales were generated from third party platforms.

2. What are the main challenges in growing the online sales business? How does The Group address conflict with its traditional sales channels?

The Company's response:

The main challenges faced are competition and pricing. The Group has implemented price control and established a different product range for the online channels.

3. The group has experienced declining revenue before the pandemic. However, revenue and net profit have grown tremendously since a year ago. Local sales has increased 66% (page 13 of Annual Report). Given the surge in demand has been driven by the stay-at-home order, do the management foresee softening of demand after the pandemic? How confident is the management in sustaining the current level of sales and profitability in the foreseeable future?

The Company's response:

The Company has embarked on various strategies that align with Khind's Core Value i.e. to offer products that are affordable, trendy, easy to buy, easy to use, easy to clean, easy to store and easy to service. This has enabled the Company to improve competitiveness and capture more market share in 2020. The Company will continue to focus on products and consumer benefit for business sustainability and profitability.

- 4. How are the group market shares for key products like fans and kitchen appliances in Malaysia, Singapore and UAE? How has the market share changed over the past decade as well as during this pandemic period?**

The Company's response:

The Company currently did not have very concrete data on Khind's present market share. However, the increasing trend in sales shows that Khind has been increasing its market share in the markets which it has a presence in, especially for products such as fans and home electrical appliances.

- 5. How competitive is the Group product cost structure as compared to local as well as China competitors?**

The Company's response:

Chinese competitors have been in the market for a considerable time now. With the Group's growing volume, the Group has been increasingly competitive. The Company has the knowledge and will leverage on its strength to compete with Chinese competitors. On the other hand, the Company has also been collaborating with Chinese suppliers/manufacturers to lower the product costs and achieve economies of scale.

- 6. Please kindly explain The Group's rationalisation exercise which has improved efficiency and reduced distribution expenses (page 13 of Annual Report)**

The Company's response:

The Group has undergone a restructuring exercise including merger of the operations of two Strategic Business Units to achieve cost synergy and efficiency and realigned the business operations of two identical Strategic Business Units under a single management team. The Company will continue to focus on the improvement on the partnership for supply chain and logistics management and re-organisation of unprofitable Strategic Business Units to achieve cost effectiveness.

- 7. Refer page 16 of Annual Report. The Group reached full in-house production capacity on certain months and was thus forced to outsource.**

- i. What is the plan for capacity expansion?**
- ii. What is the associated Capex (capital expenditure)?**

The Company's response:

The Company will continue to work with partners to maximise the potential within the country and also the Chinese counterparts who will complement the Group in terms of production expansion.

8. Refer page 13 of Annual Report. Trade receivables rose significantly in tandem with sales. Turnover days of trade and other receivables increased from 70 days to 81 days.
- i. Given the rise in online sales to end consumers directly, shouldn't collection period be shorter?
 - ii. Note 26 shows RM2.756m impairment loss in FY2020. Has credit risk increased due to fast sales growth?

The Company's response:

Contribution of direct online sales is still low and the impact on the Trade Receivable turnover period is insignificant. Majority of sales is still conducted through the trade channels in Malaysia. Credit terms are given to the local trade partners. With the increase in sales, the turnover period has also increased, mainly due to longer credit terms granted to selected local dealers/distributors that had purchased in bulk.

The Company has adopted a prudent approach by making additional provisions. The Company, however, does not foresee any immediate risks. Having higher provisions is more of a best practice. As sales increase, it would be prudent to have higher provisions.

9. How does current FMCO affect production utilization, domestic and export sales?

The Company's response:

The local production line has been granted 60% capacity under the Standard Operating Procedures of Majlis Keselamatan Negara and Malaysian International Trade and Industry. Therefore, the Sekinchan factory has not been affected much. Some of the outsourced partners have also been granted approval to operate. Thus far, the Company has not seen any significant impact arising from the Full Movement Control Order ("FMCO") as the Company had planned well in advance.

10. What is the latest situation on global container shortage? How does it affect shipping cost and delivery schedule?

The Company's response:

Supply chain has been impacted globally. There was a critical shortage of containers from November 2020 until February 2021. Conditions has improved from February 2021 onwards. Cost of shipping has increased and the Group has no alternative but to pass on the cost to consumers.

- 11. How many foreign workers are there among The Group 407 staffs? How does the management control the level of personnel expenses which is about RM65 million in FY2020 (refer Note 26)?**

The Company's response:

The Group has a total workforce of more than 900. The 407 staff mentioned in the Annual Report referred to the workforce in Sekinchan factory. Although personnel expenses have increased, the level of productivity has also increased. Management will continue to control personnel expenses and monitor staff productivity ratio.

- 12. The Summary of Key Matter Discussed for 2019 and 2020 cannot be found in the IR website. Can the minutes for all recent years AGM which include shareholder Q&A be posted to the website?**

The Company's response:

The Company did not upload any Summary of Key Matters Discussed for 2019 and 2020 on its IR website because there were no questions raised by the shareholders during the 23rd Annual General Meeting in 2019 and 24th Annual General Meeting in 2020. The Company will be uploading the Minutes of the 25th Annual General Meeting, including the questions and answers, on its corporate website.

- 13. Virtual AGM has been convenient for shareholders who live faraway. In line with technology adoption and to encourage greater participation, may the management continue to offer the option for remote participation after the pandemic?**

The Company's response:

The Board takes note of this suggestion for discussion.

- 14. What is the percentage contribution to revenue by our online shops?**

The Company's response:

Khind Online shop contributed less than 10% to the total revenue. (Refer to the response given under Question 1)

- 15. May I know, what is the company's future outlook?**

The Company's response:

The Company's future outlook is positive as the Company has outperformed the market last year. Demand for electrical home appliances has increased tremendously. Overall, the industry has improved but Khind outperformed the market by adopting the right strategy, focusing on online sales, TV shopping and launching new products which have been well accepted by the market.

KHIND HOLDINGS BERHAD
REGISTRATION NO.: 199601007964 (380310-D)
QUESTION AND ANSWER SESSION OF THE TWENTY-FIFTH ANNUAL GENERAL
MEETING OF THE COMPANY HELD ON FRIDAY, 25 JUNE 2021 AT 10.00 A.M.

16. How is the impact of FMCO to the company?

The Company's response:

The Company has planned in advanced for the FMCO. Sales has been satisfactory in the past two months and the Company was able to sustain its current performance despite the lockdown.

17. How much does the company spend on this virtual AGM?

The Company's response:

The cost for physical and virtual AGM is almost the same as the Company has selected the basic package from the service vendor for this virtual AGM.

18. Why is that our corporate website change from www.khind.com to www.khind.com.my from 1 July 2021 onwards?

The Company's response:

The change of the corporate website is part of the strategy to improve the Group's corporate branding. Previously, some subsidiaries had their own websites. Management has decided to consolidate the websites into one to give better clarity and ease of access to stakeholders, consumers and partners. The other websites will be removed in due course.

19. Looking at the geographical information where our group is operating, what is the strategy for the group to expand more at other South East Asia country?

The Company's response:

The Company will continue to focus in Malaysia, Singapore and Middle East due to the current travelling restrictions. The Company will continue to export products to Singapore and Middle East as usual.

20. Is our group involve in PIKAS (Public-Private Partnership Industrial COVID-19 Immunisation Programme)?

The Company's response:

The Company is registered with PIKAS.

21. What is the outlook for next 5 years in view of COVID-19 pandemic

The Company's response:

Despite the COVID-19 pandemic, the Company is confident of performing well in the coming years. The Company has established a 3-year strategic plan, focusing on improvement projects to strengthen employee engagement and digitalisation.

KHIND HOLDINGS BERHAD
(380310-D)

Twenty-Fifth Annual General Meeting
TIH Online Meeting Platform at <https://tiah.online>

Appendix B

On 25-June-2021 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	29,808,337	99.99968	64	88.88889	94	0.00032	8	11.11111	29,808,431	100.00000	72	100.00000
Ordinary Resolution 3	29,806,334	99.99297	62	86.11111	2,097	0.00703	10	13.88889	29,808,431	100.00000	72	100.00000
Ordinary Resolution 4	29,806,247	99.99267	60	83.33333	2,184	0.00733	12	16.66667	29,808,431	100.00000	72	100.00000
Ordinary Resolution 5	29,808,247	99.99938	61	84.72222	184	0.00062	11	15.27778	29,808,431	100.00000	72	100.00000
Ordinary Resolution 6	29,808,244	99.99937	60	83.33333	187	0.00063	12	16.66667	29,808,431	100.00000	72	100.00000
Ordinary Resolution 7	29,808,424	99.99998	68	94.44444	7	0.00002	4	5.55556	29,808,431	100.00000	72	100.00000
Ordinary Resolution 8	29,808,324	99.99964	65	90.27778	107	0.00036	7	9.72222	29,808,431	100.00000	72	100.00000
Ordinary Resolution 10	29,808,334	99.99967	63	87.50000	97	0.00033	9	12.50000	29,808,431	100.00000	72	100.00000

Agur

ASIA SECURITIES SDN BERHAD (12716-H) *
SCRUTINEER

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BERHAD
11324-H
POLL ADMINISTRATOR