

**PELANGI PUBLISHING GROUP BHD.**  
(Registration No. 200201025986 (593649-H))  
(Incorporated in Malaysia)

**MINUTES OF EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY  
HELD AT PALM RESORT BERHAD, MELATI HALL, JALAN PERSIARAN GOLF,  
OFF JALAN JUMBO, 81250 SENAI, JOHOR ON FRIDAY, 6 MARCH 2020 AT 10.00  
A.M.**

**PRESENT** : Datuk Sum Kown Cheek - Chairman  
and as per attendance list.

**IN ATTENDANCE** : Ms Leong Siew Foong - Company Secretary  
Mr Lo Yuan Cherng  
Cik Nurul Amira binti Kamaruddin

**BY INVITATION** : As per attendance list

**AGM2020/1 CHAIRMAN**

The Chairman of the Company, Datuk Sum Kown Cheek welcomed all Members present at the Meeting.

**AGM2020/2 QUORUM**

With the requisite quorum being present in accordance with Article 82, the Chairman declared the Meeting duly convened.

**AGM2020/3 PROXY**

The Chairman requested the Secretary to read out the proxies received by the Company within the prescribed period. The Secretary informed that she had received a total of four proxy forms and copies of them are attached hereto.

**AGM2020/4 NOTICE OF MEETING**

The Chairman informed the members present that the Notice convening the Eighteenth Annual General Meeting (“AGM”) had been previously circulated to all Members within the prescribed period.

He sought the Members’ consent to take the Notice convening the Eighteenth AGM as read. There being no objection, the Chairman declared that the Notice convening the Eighteenth AGM dated 22 January 2020 be taken as read.

**AGM2020/5 AUDITED FINANCIAL STATEMENTS TOGETHER WITH REPORTS OF  
DIRECTORS AND AUDITORS**

The Chairman proceeded to the first item of the agenda, which was to receive the Audited Financial Statements for the financial year ended 30 September 2019 together with the Reports of the Directors and Auditors thereon.

He informed the members present that the Audited Financial Statements for the financial year ended 30 September 2019 together with the Reports of the Directors and Auditors thereon had been circulated to all Members within the prescribed period, a copy of which was tabled at the Meeting.

The Company received a letter from Minority Shareholders Watch Group (“MSWG”) on 17 February 2020. The Company has replied to MSWG accordingly and Mr. Sum Lih Kang was invited to read out the said reply. Summary of MSWG’s letter and the Company’s reply letter were appended below:

MSWG	The Company
<b>Strategy and Financial Matters</b> <b>1) Publishing and Production Segment (Pages 19 &amp; 161 of the Annual Report 2019)</b> <b>What is the segment’s key competitive advantages?</b>	<p>The key competitive advantages of the Publishing and Production segments include PPG’s 40 years quality contents bank and pool of talents, i.e. editorial, writer and educationist. And also the experience in adapting educational content into local curriculum, i.e. Indonesia curriculum and Thailand curriculum.</p> <p>The variety of publications and products from Nursery to Higher Education, including play based educational products, infant products, digital contents (i.e. ebooks), digital learning tools and AR products is also one of the key competitive advantages for this segment.</p> <p>In addition, PPG is a full-fledged publisher with in-house printing for better control on pricing of the printed books.</p>
<b>2) ASEAN Markets (Page 17 of the Annual Report 2019)</b> <b>What is the strategy or steps required to increase market share or penetration in the ASEAN market?</b>	<p>To increase market share or penetration in the ASEAN market, PPG is grooming more local talents in this segment to develop more products to adapt to the local market. These products are to be more innovative and to align with the worldwide education trend.</p> <p>With the products, PPG strives to open up and expand to more distribution channels, including digital sales channels. PPG aims to strengthen our brand in ASEAN countries via new channels and also generate more revenues.</p> <p>In addition, PPG is open to more collaborations with local publishers and</p>

	also investment in local market research.
<b>3) Paper Procurement</b> <b>To what extent the recent coronavirus outbreak impacts the Group's paper procurement in terms of pricing, etc.?</b>	For time being, it does not have massive impact to PPG. As paper mills in China have stopped operation, there is a shortage in global paper supply. Though paper price has gone up in recent weeks, our raw material has been prepared/estimated for 6 months' supply in advance. Thus, it will not impact us now but it will increase our cost of goods in the next financial year.
<b>4) Digital Learning</b> <b>a. What is ePelangi.com's current user sign-ups? What is the targeted sign-ups rate for FY2020?</b>	Market demand for this segment is still not so encouraging, ePelangi.com currently have 1722 sign-ups. However, we are seeing increasing demand for digital educational learning for K-12 market. Hence, we will continue to create more digital educational content and work with various platforms to penetrate into this market.
<b>b. Apart from the existing content portfolio, does the Group have a new content portfolio that can take the Group's digital learning platform to the next level?</b>	There is no new content portfolio for time being; we are enhancing and expanding the current content.
<b>c. What is the Board's view as to the current status of the industry? What significant changes are anticipated in the next three years?</b>	Market demand for digital learning is still growing at a slow pace at the moment. Much of the learning is still through physical products. Nonetheless, the demand might grow in the coming years and a feasible business model that can monetise the programme is to be planned.
<b>5) As the Group expanded its footprint in the ASEAN countries particularly in Thailand and Indonesia, what is the best use for the cash balance of RM9.3 million? How does the Group plan to raise capital to fund any future growth?</b>	Skilled talent is very important in this industry, thus, PPG will invest in grooming talents in ASEAN countries to create more local contents. PPG believes that a strong pool of talent will lead to the organisation's success. At the moment, PPG utilises internal cash bank for future growth and there is currently no intention to raise capital from the public.

<p><b>Corporate Governance &amp; Sustainability Matters</b>  <b>1) Is the Board going to implement two-tier voting for Syahriza Binti Senan to continue as Independent Director of the Company?</b></p>	<p>Yes, 2-tier voting is to be implemented for the continuation of terms of office as Independent Director for Syahriza Binti Senan.</p>
<p><b>2) Continuous professional development for audit committee</b></p>	<p>In FY2020, PPG aims to have all directors attend the necessary training or seminars based on their strengths and weaknesses through the Board Skills Matrix summary</p>
<p><b>3) On sustainability, what are the areas of significant improvement that the Company has identified?</b></p>	<p>In FY2019, PPG established Sustainability Procurement Committee to develop and implement sustainable purchasing practices and policies. There are a number of go green initiatives that have been implemented, such as recycle and go green campaign, save paper awareness, maintain healthy working environment, sourcing of energy saving products and trade-in Programme. For operation and warehousing processes, some processes have been digitised. This helps to reduce the paper usage and created more efficient procedures. In the coming year, PPG intends to look into possibility to install solar panels, which can help to reduce the electricity costs.</p>

He then invited questions from the floor. As there were no further questions raised from the shareholders, the Audited Financial Statements for the year ended 30 September 2019 were received by the shareholders.

The remaining agendas require voting by shareholders. Voting of all the resolutions of today's Annual General Meeting is conducted by way of poll pursuant to Para 8.29A of Bursa Securities Listing Requirements. It will be conducted at the end of all the motion of today's meeting to save administrative time and the results will be announced then.

The Chairman proceeded to the second item of the agenda.

**AGM2020/6 PAYMENT OF FINAL SINGLE TIER DIVIDEND OF 1.00 SEN PER ORDINARY SHARE**

The Chairman proceeded with the second item of the agenda, i.e. approving the payment of a final single tier dividend of 1.00 sen per ordinary share amounting to RM965,975/- for the financial year ended 30 September 2019.

The Chairman invited shareholders to raise any questions on the payment of a final dividend before putting the motion to the floor. As there were no questions raised from the shareholders, the Chairman put the motion to the floor.

With the proposal from Mr Chiam Min Kiew duly seconded by Mr Wong Teck Seng, the Chairman said that it has to be voted by way of poll and moved on to the next meeting.

**AGM2020/7 DIRECTORS' FEES**

The Chairman proceeded to table the third item of the agenda, i.e. approving the payment of Directors' fees of RM114,200.00 for the financial year ended 30 September 2020.

Mr Lee Yan Ching proposed and Mr Sum Lih Jian seconded the motion. The Chairman said that it would be voted by way of poll later.

**AGM2020/8 PAYMENT OF DIRECTORS' BENEFITS TO THE NON-EXECUTIVES DIRECTORS UP TO AN AMOUNT OF RM12,750 FROM 1 OCTOBER 2019 UNTIL THE NEXT AGM OF THE COMPANY.**

The fourth item of the agenda, i.e. approving the payment of Non-Executives Directors' benefits of up to an amount of RM12,750.00 from 1 October 2019 until the next AGM of the Company.

With the proposal from Ms Ng Lai Ping and duly seconded by Mr Lee Yan Ching, the Chairman moved on to the next motion.

**AGM2020/9 RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH THE COMPANY'S CONSTITUTION**

The Chairman informed the members present that the next agenda item was to re-elect Directors in accordance with the Company's Constitution.

In accordance with Article 134 of the Company's Constitution, Sum Lih Kang and Koh Siew Shern shall retire from the Board at the Meeting and being eligible, have offered themselves for re-election to the Board.

The Chairman put to the Meeting the motion to re-elect Sum Lih Kang to the Board. On the proposal of Mr Chiam Min Kiew and seconded by Mr Foo Ho Tim, the Chairman subsequently moved to the next motion.

The Chairman also put to the Meeting the motion to re-elect Koh Siew Shern to the Board. Mr Foo Ho Tim proposed and Mr Sum Lih Jian seconded the motion.

**AGM2020/9 APPOINTMENT OF AUDITORS**

The retiring auditors, Messrs SJ Grant Thornton, have indicated their retirement at this AGM.

With the proposal of Mr Foo Ho Tim and seconded by Mr Sum Lih Jian, the Chairman moved on to the next motion.

**AGM2020/10 AUTHORITY TO ALLOT SHARES – SECTION 75 and 76**

The Chairman proceeded with the Ordinary Resolution 7 in respect of authorisation for the Directors of the Company to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016 subject to the Constitution of the Company and approvals from the Bursa Malaysia Securities Berhad and other regulatory bodies.

He put the motion to the floor for discussion. As there were no questions, he invited a proposer and seconder for the above motion. Mr Lee Yan Ching proposed and seconded by Ms Ng Lai Ping the said motion.

**AGM2020/11 PROPOSED RENEWAL OF AUTHORISATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY.**

The Chairman proceeded with the Ordinary Resolution 8 in respect of proposed renewal of authorisation for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company.

He put the motion to the floor for discussion. As there were no questions, he invited a proposer and seconder for the above motion. Mr Wong Teck Seng proposed and seconded by Ms Ng Lai Ping the said motion.

**AGM2020/12 CONTINUATION OF SYAHRIZA BINTI SENAN'S TERMS OF OFFICE AS INDEPENDENT DIRECTOR**

The Chairman informed the Members present that the Ordinary Resolution 9 was tabled in compliance with the Malaysian Code on Corporate Governance as Ms Syahriza binti Senan has served the Company for more than twelve years. Justification to retain her service had been included in the Annual Report 2019 and the relevant procedure had been adhered to accordingly.

With the proposal from Mr Chiam Min Kiew, which was seconded by Mr Sum Lih Jian, the Chairman said that the poll would be conducted later.

**AGM2020/13 CONTINUATION OF VINCENT WONG SOON CHOY'S TERMS OF OFFICE AS INDEPENDENT DIRECTOR**

The Chairman informed the Members present that the Ordinary Resolution 10 was tabled in compliance with the Malaysian Code on Corporate Governance as Mr Vincent Wong Soon Choy has served the Company for more than nine years. Justification to retain his service had been included in the Annual Report 2019 and

the relevant procedure had been adhered to accordingly.

With the proposal from Mr Sum Lih Jian, which was seconded by Mr Lee Yan Ching, the Chairman said that the poll would be conducted later.

**AGM2020/14 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RSM")**

The Chairman proceeded with the Ordinary Resolution 11 in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature ("Proposed Renewal of Shareholders' Mandate").

As he is one of the interested parties, he proposed Mr Vincent Wong Soon Choy to chair this agenda. Mr Vincent Wong took the Chair and reminded the Interested Parties, Datuk Sum Kown Cheek, Datin Lai Swee Chiung and persons connected to them that they have to abstain from deliberations on the Proposed Renewal Shareholders' Mandate and also abstain from voting in respect of their direct or indirect shareholdings in the Company.

He put the motion to the floor for discussion. As there were no questions, he invited a proposer and seconder for the above motion. Mr Lee Yan Ching proposed and seconded by Mr Sum Lih Jian the said motion.

The Chairman informed all members present that the polling would be conducted shortly simultaneously with all of the day's agendas. He also made known that the representatives of Messrs Needsbridge Advisory Sdn. Bhd. has been appointed by the Company as Scrutineers for today's meeting. Members were also informed of the relevant procedures to complete the polling papers prior to polling papers being distributed to the members present in the meeting.

Upon completing collection of all polling papers from members in the meeting, the Chairman informed all that there would be a short break of 20 minutes to conduct the poll count.

After the short break, the meeting resumed where the results of polling were handed to the Chairman. The results of the polling were read as follows:-

Resolution	FOR		AGAINST	
	No of Shares	%	No of Shares	%
1	32,023,365	100.00	-	0.00
2	32,023,365	100.00	-	0.00
3	32,023,330	100.00	-	0.00
4	672,145	100.00	-	0.00
5	32,023,365	100.00	-	0.00
6	32,023,365	100.00	-	0.00
7	32,023,365	100.00	-	0.00
8	32,023,365	100.00	-	0.00
9 (tier 1)	31,352,220	100.00	-	0.00
9 (tier 2)	671,045	99.99	100	0.01

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18<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> March 2020

10	32,007,015	99.95	16,350	0.05
11	671,145	100.00	-	0.00

The Chairman declared that all the resolutions as set out in the day's agendas were duly carried.

**AGM2020/15 TERMINATION**

There being no other business, the Meeting terminated at 11.20 a.m. with a vote of thanks to the Chair and the shareholders for their support.

Confirmed

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Datuk Sum Kown Cheek  
Chairman