

**FLONIC HI-TEC BHD**  
(Company No. 655665-T)  
(Incorporated in Malaysia)  
("Flonic" or "the Company")

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT ZAMRUD 1, THE SAUJANA HOTEL KUALA LUMPUR, JALAN LAPANGAN TERBANG SUBANG, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON WEDNESDAY, 20 JULY 2016 AT 11:00 A.M.**

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## **1.0 Introduction**

Datuk Cheng Lai Hock, the Independent Non-Executive Chairman of the Board of Directors ("**the Board**") ("**Datuk Chairman**") chaired the Meeting and welcomed all present to the Twelfth Annual General Meeting ("**12th AGM**" or "**the Meeting**"). The Meeting was called to order at 11:00 a.m.

The requisite quorum for the Meeting was present pursuant the Company's Articles of Association and Datuk Chairman declared the Meeting duly convened.

The Meeting was informed that with the recent amendments to Bursa Malaysia Securities Berhad's ("**Bursa Securities**") ACE Market Listing Requirements ("**ACE LR**"), all of the resolutions set out in the Notice of General Meeting would be voted by poll and would be implemented for general meetings held on or after 1 July 2016.

Datuk Chairman exercised his right as the Chairman of the Meeting to demand for poll be conducted for all resolutions put forth for voting at the Meeting pursuant to the Articles of Association of the Company.

## **2.0 Receive of the Audited Financial Statements of the Company for the financial year ended 31 January 2016 together with the Reports of the Directors and the Auditors thereon ("AFS 2016")**

The AFS 2016 was tabled at the Meeting for discussion.

### *Questions and Answers Session*

1. A shareholder present posted a question on the Company's outlook and expected financial performance for the next few quarters.

Datuk Chairman informed that with the entrance of several new Board members, the Board was optimistic on the positive outlook of the Company/Group moving forward.

2. There was a question from the floor enquiring whether the placee of the recently completed private placement, namely Sunstar Enterprise Pty Ltd ("**Sunstar**"), would seek in active role in the Company.

In reply, Datuk Chairman informed that upon prior enquiry by the Board with Sunstar, Sunstar has indicated they were merely a passive investor and would not be seeking a Board seat or participate in the management of the Company/Group.

3. A question was raised from the floor in relation to the focus of the Management in relation to the business operations of the Group henceforth.

In reply, Datuk Chairman informed that Management would place higher priority on profitable subsidiaries. In tandem with the entrance of new Board members with prior experience and expertise in project management and construction-related industry, Management would henceforth be focusing on those areas.

(Summary of Key Matters Discussed at the Twelfth Annual General Meeting held on 20 July 2016 - cont'd)

As announced on 6 May 2016, Jiwa Project Sdn. Bhd., a wholly-owned subsidiary of the Company had accepted an award of contract (for project management and sub-contract works) to undertake the proposed Affordable Housing Development Project at Sebahagian Lot 6515, Taman Sutera Wangi, Mukim Batu Berendam, Melaka (Fasa 3) - construction package for 28 units single storey detached, 150 units double storey semi-detached and infrastructure works.

There were no further questions and Datuk Chairman declared the AFS 2016 be received by the members.

**3.0 Re-election of Datuk Cheng Lai Hock, a Director who retires in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered himself for re-election**

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It was **RESOLVED**:

*That Datuk Cheng Lai Hock who retired pursuant to Article 92 of the Articles of Association of the Company, being eligible for re-election, be re-elected as a Director of the Company.*

**4.0 Re-election of Mr. Loh Boon Gin, a Director who retires in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered himself for re-election**

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It was **RESOLVED**:

*That Mr. Loh Boon Gin who retired pursuant to Article 92 of the Articles of Association of the Company, being eligible for re-election, be re-elected as a Director of the Company.*

**5.0 Re-election of Ms. Loh Shy Ming, a Director who retires in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered herself for re-election**

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It was **RESOLVED**:

*That Ms. Loh Shy Ming who retired pursuant to Article 92 of the Articles of Association of the Company, being eligible for re-election, be re-elected as a Director of the Company.*

**6.0 Re-election of Mr. Loh Boon Zheng, a Director who retires in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered himself for re-election**

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It was **RESOLVED**:

*That Mr. Loh Boon Zheng who retired pursuant to Article 92 of the Articles of Association of the Company, being eligible for re-election, be re-elected as a Director of the Company.*

(Summary of Key Matters Discussed at the Twelfth Annual General Meeting held on 20 July 2016 - cont'd)

**7.0 Re-appointment of Messrs. Siew Boon Yeong & Associates as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration**

It was **RESOLVED**:

*That Messrs. Siew Boon Yeong & Associates be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that authority be given to the Directors to fix their remuneration.*

**8.0 Approval of the payment of Directors' Fees amounting to RM60,000/- for the financial year ended 31 January 2016**

It was **RESOLVED**:

*That the Directors' fees amounting to RM60,000/- (Ringgit Malaysia: Sixty Thousand) only for the financial year ended 31 January 2016 be and is hereby approved for payment.*

**9.0 Ordinary Resolution**

**- Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965**

Datuk Chairman informed the Meeting that the proposed adoption of the Ordinary Resolution primarily to give flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s) without convening a general meeting.

It was **RESOLVED**:

*THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals from the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors of the Company may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.*

*AND THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the ACE Market of Bursa Malaysia Securities Berhad AND be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate.*

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(Summary of Key Matters Discussed at the Twelfth Annual General Meeting held on 20 July 2016 - cont'd)

**10.0 Special Resolution**

**- Proposed Amendment to the Articles of Association of the Company**

Datuk Chairman informed the Meeting that the proposed adoption of the Special Resolution is to streamline the Articles of Association of the Company with the recent amendments to the ACE LR of Bursa Securities.

It was **RESOLVED**:

**THAT** the following proposed amendment to the Articles of Association of the Company be and is hereby approved and adopted:-

Article No.	Existing Article	Proposed Article
137	<p>The Directors shall from time to time in accordance with section 169 of the Act cause to be prepared and laid before the Company in General Meeting such profit and loss accounts, balance sheets and report as are referred to in the section. <u>The interval between the close of a financial year of the Company and the issue of annual reports shall not exceed six (6) months.</u> A copy of each such documents shall not less than twenty one (21) days before the date of the meeting be sent to every Member of and to every holder of debentures of the Company under the provision of the Act or of these presents. <u>The requisite number of copies of each documents as may be required by the Exchange and/or other stock exchange, if any, upon which the Company may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange</u> Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>	<p>The Directors shall from time to time in accordance with section 169 of the Act cause to be prepared and laid before the Company in General Meeting such profit and loss accounts, balance sheets and report as are referred to in the section. A copy of each such documents <b>in printed form or in electronic format</b>, shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of and to every holder of debentures of the Company under the provision of the Act or of these presents. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. <b>In the event that the annual report is sent in electronic format and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request.</b></p>

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**AND THAT** the Directors and Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendment to the Articles of Association of the Company.

**11.0 Termination**

All resolutions tabled at the Meeting were voted by poll and the results were scrutinised by Mr. Tan Hor Seng, an Independent Scrutineer from Securities Services (Holdings) Sdn. Bhd., and all resolutions were duly carried.

There being no other notice received to transact any other business, the Datuk Chairman concluded the Meeting at 12:00 noon and thanked all present for their attendance.