

CAB CAKARAN CORPORATION BERHAD

Company No.: 200201015998 (583661-W)
(Incorporated In Malaysia)

MINUTES OF ANNUAL GENERAL MEETING

MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE CONFERENCE ROOM, THIRD FLOOR, CAB CAKARAN CORPORATION BERHAD, PLOT 21, LORONG JELAWAT 4, SEBERANG JAYA INDUSTRIAL PARK, SEBERANG JAYA, 13700 PERAI, PENANG ON MONDAY, 24 MARCH 2025 AT 10.30 A.M.

ATTENDANCE: As per attendance list

1. COMMENCEMENT

At 10:30 a.m., the Chairman of the Meeting, Chuah Hoon Phong called the Meeting to order and welcomed all members and proxies participating the Company's Twenty-Third Annual General Meeting ("23rd AGM" or "the Meeting").

2. QUORUM

The Meeting was called to order as the Company Secretary confirmed that the quorum was present.

3. NOTICE OF MEETING

The notice of the 23rd AGM having been circulated within the statutory period, was taken as read.

4. PROCEDURES TO CONVENE THE AGM

The Secretary, on behalf of the Chairman, informed the members that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 23rd AGM are to be voted by poll and the Company has to appoint at least one scrutineer to validate the votes cast.

The Secretary, on behalf of the Chairman, also informed the members that the Company had appointed Braxton Consulting Sdn Bhd as Poll Administrator and Symphony Corporate Services Sdn Bhd as the Scrutineer to oversee the conduct of the poll and scrutinise the votes cast. The polling process for the resolutions would be conducted upon completion of the deliberation of all the proposed resolutions transacted at the 23rd AGM.

The Secretary informed the Meeting that Mr Joseph Law Wei and Mr Khor Kim Seah being shareholders of the Company had offered to be the proposer and seconder respectively for all the resolutions in the agenda of the Meeting.

The Secretary then presented the agenda of the 23rd AGM as follows:-

5. POLLING PROCESS

The Secretary, on behalf of the Chairman, invited Ms Elly Chew from Braxton Consulting Sdn Bhd to brief the shareholders and proxies on the polling procedures.

6. AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Shareholders were informed by the Secretary that the said Audited Financial Statements (“AFS”) were for discussion purposes only as the provision of Section 340(1)(a) of the Companies Act 2016 do not require members’ approval for the AFS. Therefore, this item was not put forward for voting.

The Secretary inform that the Company received a letter dated 14 March 2025 from the Minority Shareholders Watch Group

The Secretary invited the shareholders or proxies to raise questions on the AFS.

The question received from shareholder, Mr Joseph Law Wei as following: -

(a) Reference was made to page 91 of the Annual Report and highlighted by MSWG. What are the procedures to avoid such high bad debts in the future?

Mr Chuah Hoon Phong replied that over the past five years, the Credit Control Department of the Company has had access to and has evaluated customer profiles and status. New account openings are initiated by the Sales and Marketing Manager and then forwarded to the Accounts Department for processing. In addition, a shorter credit term has granted to wet market customers as a risk mitigation measure, given that this category of customers is generally less familiar with formal sales documentations.

(b) Reference was made to page 113 of the Annual Report which showed unused tax credit of RM71 million and unused capital allowance of RM42 million. How does the Group plan to utilise these unused tax credits and allowances in the future?

Ms Koay Lay Ean replied that the Group has been aware of its substantial unutilised tax credits and has aimed to utilise them where possible. However, under current tax legislation, these unabsorbed benefits could not be transferred between subsidiaries for offsetting purposes. As a result, their utilisation had depended on the loss-making subsidiaries returning to profitability. The Group had remained committed to enhancing the performance of these entities, with the goal of leveraging these tax benefits once sufficient taxable income was generated.

Which subsidiaries are the significant lossmaking companies.

Ms Koay Lay Ean replied that those loss-making subsidiaries were primarily engaged in slaughterhouse operations, which have struggled with profitability in recent years. This had been largely due to high production costs and government-imposed ceiling prices on poultry products which had limited the ability to pass on rising costs to customers. As a result, substantial unused tax credits had been accumulated. Should these operations return to profitability, the Group may utilize these tax credits to offset future taxable income, in accordance with applicable tax regulations.

If the Group has considered for their next expansion of chicken farm to be put under these slaughter plants so that profits made may be used to utilize the unabsorbed tax losses.

Ms Koay Lay Ean replied that the Management would consider this plan as one of the potential solutions.

(c) The Group has investment property of RM160 million with rental yield of 0.5%. What are those investment property and is there any intention to sell it off?

Mr Chuah Hoon Phong replied that the investment property was originally acquired approximately 35 years ago with the intention of developing chicken farms on a piecemeal basis. However, developments in the surrounding areas had rendered some of the land unsuitable for farming. Additionally, several areas had become adjacent to residential and commercial developments, further limiting their viability for agricultural use.

While a portion of the lands had been leased, the majority had remained vacant, resulting in relatively low rental yields. The Group had been evaluating various options, including the potential disposal of some properties or repurposing them for alternative uses. Future development plan would be subjected to the change of land use classified which may also be subjected to shareholder approval taking consideration of the new business activities which the Company would venture into.

(d) Reference was made in page 84 of the Annual Report. What is the main item in other income of RM60 million? It is Government subsidies?

Ms Koay Lay Ean replied that included in the other income, RM39.80 million was derived from Government subsidies.

What is the remaining RM22 million from other income of RM60 million?

Ms Koay Lay Ean replied that it was mainly consisted of rental income.

Does the Government still provide subsidies in 2025?

Mr Chuah Hoon Phong replied that the government had discontinued the subsidies for broiler chickens.

(e) Reference was made to page 84 of the Annual Report. What was the main cause of the increase in marketing and selling expenses and admin expenses compared with 2023?

Ms Koay Lay Ean replied that most of the costs had increased, particularly staff and logistics costs, along with a rise in professional fees.

(f) Reference was made to page 35 of the Annual Report. Manpower had increased by 22% whilst other the costs increased by 9% as compared to previous year. Why has workforce increased by 22% as compared to 2023?

Mr. Chuah Hoon Phong replied that over the past two years, due to pandemic-related restrictions, the Group had been unable to hire foreign workers, which had resulted in manpower shortages. Once the pandemic situation stabilised, the Group was able to recruit foreign workers in large numbers to address the backlog and meet operational needs.

Another contributing factor was the conversion of certain farms from using contract farmers to being operated by the Group's own workforce between 2022 and 2025. These newly converted farms had been fully staffed by the Group's employees, which contributed to the increase in headcount.

Additionally, the Group had expanded its Food Manufacturing Division, further driving the rise in manpower requirements.

What is the expected impact of minimum wages RM1,700 together with EPF to the company on a yearly basis?

Mr Chuah Hoon Phong replied that the Group had been expected to incur an additional estimated cost of approximately RM6 million per year.

Since closed farming is efficient, what is the technology employed. Was it same as layer farming?

Mr. Chuah Hoon Phong explained that the Group's broiler farming operations had been fundamentally different from layer farming. The Group had employed closed-house farming systems equipped with automated feeding and drinking systems. In contrast, layer farming had been designed for egg production, where chickens were typically housed in cages and were unable to move freely on the floor.

When comparing closed farming and open farming, which method reduces to the number of hectares used on farm?

Mr. Chuah Hoon Phong explained that, when compared in terms of capacity, open-house farms had reared fewer chickens than closed-house farms on the same area of land. However, in terms of the number of farm houses required, closed-house farms had required fewer units due to their larger capacity.

Additionally, in terms of manpower, one worker in an open-house farm had typically managed 8,000 to 10,000 chickens, whereas in a closed-house farm, a single worker had been able to manage between 25,000 and 30,000 chickens.

When comparing the 1st Quarter and 2nd Quarter, has the chicken prices increased or is it stable?

Mr Chuah Hoon Phong replied that on average, chicken prices should tend to perform better in the second quarter.

How about the feed price?

Mr Chuah Hoon Phong replied that feed prices had remained relatively stable between the first and second quarters.

(g) Reference was made to page 12 of the Annual Report which indicates

diverse locations of the farms. How does the Group achieve operational efficiency?

Mr. Chuah Hoon Phong replied that the Group's farms had been strategically located across northern, eastern, central, and southern Peninsular Malaysia to align with the geographic distribution of its customer base. Delivery times had been of utmost importance to avoid mortality issues. This decentralised approach had helped optimise delivery routes and ensured timely product delivery.

Notably, the Group had exported over 1.5 million live birds monthly from Johor to Singapore, where timely delivery had been crucial to minimise mortality rates and maintain animal welfare standards. Transporting live chickens over long distances would have significantly increased the risk of mortality, resulting in operational losses and ethical concerns.

How much of the Group's business is chicken farming, raw chicken processing and frozen food?

Mr Chuah Hoon Phong replied the Group's core business had been derived from its integrated poultry division. Approximately 60% of sales come from chicken farming activities, including the sale of chicks, feed, and live birds, while 30% had been contributed by the sale of dressed birds. The remaining 10% had come from frozen and processed food products.

(h) In the next 3 years will the Group focus in manufacturing, processing and processed chicken?

Mr Chuah Hoon Phong replied the Group would focus more in food manufacturing and food preparation.

For next 3 years, what is the target for the percentage?

Mr Chuah Hoon Phong replied that the Group is targeting a revenue increase of 20% to 25%.

(i) Reference was made to page 13 of the Annual Report which mentions the Salim project. What does the Company means that they will restructured with a more viable plan and business direction in 2025?

Mr Chuah Hoon Phong replied the plan had been delayed due to the pandemic and political uncertainties in Indonesia, particularly those arising from the 2024 election. Nevertheless, the Company had remained committed to its original plan and would carefully consider the timing and sequence for its implementation.

The last two weeks Indonesia had been having mini financial crises, will these crises impact the plan to join venture with the Salim Group of Indonesia?

Mr Chuah Hoon Phong replied the crises would not affect the Company's plan, as the plan is to produce necessity food to the nation.

(j) For the past 3 years, other companies such as Lay Hong Berhad and Teo Seng Capital Berhad are selling less to Singapore and more to locally

as compared to small players which are selling more to Singapore and less locally. What about the CAB Group?

Mr Chuah Hoon Phong replied that it was important to note that Lay Hong Berhad and Teo Seng Capital Berhad had primarily operated in the egg production segment, while CAB Group had focused on broiler birds and chicken meat. These had been two different markets with different dynamics and regulatory frameworks.

CAB Group had maintained a consistent supply of live broiler chickens and chicken meat to Singapore over the past two years and had been set to continue doing so into 2025. Despite the evolving market landscape, the Group's export volume has remained stable.

(k) In the next 3 years, what is the thing that the Group wishes to have?

Mr Chuah Hoon Phong replied that like all businesses, CAB Group aspires to achieve sustainable growth and profitability for the Group.

The Meeting noted that there were no other questions from the floor pertaining to the AFS for the financial year ended 30 September 2024.

The Secretary then informed that the Company's AFS for the financial year ended 30 September 2024 together with the reports of the Directors and Auditors were duly tabled and received by the shareholders before the Meeting.

**7. ORDINARY RESOLUTION 1
DECLARATION OF A FINAL SINGLE TIER DIVIDEND OF 1.00 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024.**

The Secretary informed the Meeting that the Ordinary Resolution 1 was for the declaration of a final single tier dividend of 1.00 sen per share for the financial year ending 30 September 2024.

The Ordinary Resolution 1 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 1 was carried.

**8. ORDINARY RESOLUTIONS 2
APPROVAL OF DIRECTORS' FEES UP TO AN AMOUNT OF RM971,400.00 FOR FINANCIAL YEAR ENDING 30 SEPTEMBER 2025**

The Secretary informed the Meeting that the Ordinary Resolution 2 was to approve the payment of Directors' fees up to RM971,400.00 for the financial year ending 30 September 2025.

The Ordinary Resolution 2 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 2 was carried.

**9. ORDINARY RESOLUTION 3
APPROVAL OF DIRECTORS' BENEFITS UP TO AN AMOUNT OF RM150,000 FROM 24 MARCH 2025 UNTIL THE NEXT ANNUAL GENERAL MEETING**

The Secretary informed the Meeting that the Ordinary Resolution 3 was to

approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM150,000.00 from 24 March 2025 until the next AGM of the Company.

The Ordinary Resolution 3 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 3 was carried.

**10. ORDINARY RESOLUTION 4
RE-ELECTION OF MADAM. WIJANTI TJENDERA**

The Secretary informed the Meeting that the Ordinary Resolutions 4 was to re-elect of Madam Wijanti Tjendera who retires in accordance with Article 165 of the Company's Constitution and being eligible had offered herself for re-election.

The Ordinary Resolution 4 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 4 was carried.

**11. ORDINARY RESOLUTION 5
RE-ELECTION OF PROFESSOR DATO' DR. MOHD FAKHRUDIN BIN ABDUL MUKTI**

The Secretary informed the Meeting that the Ordinary Resolutions 5 was to re-elect of Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti's who retires in accordance with Article 165 of the Company's Constitution and being eligible, has offered himself for re-election.

The Ordinary Resolution 5 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 5 was carried.

**12. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF GRANT THORNTON MALAYSIA PLT**

The Secretary informed the Meeting that the Ordinary Resolution 6 was to re-appoint Messrs. Grant Thornton Malaysia PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The Ordinary Resolution 6 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 6 was carried.

**13. ORDINARY RESOLUTION 7
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Secretary informed the Meeting that the Ordinary Resolution 7 was for the authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016, to issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the best interest of the Company.

The question received from shareholder, Mr Joseph Law Wei as following:-

(a) For Ordinary Resolution 7, Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act, 2016. Is this a opportunity to allocate 10% share for private placement? Why not give the opportunity to existing shareholders rather than to offer those shares to a new shareholder?

Mr Chuah Hoon Phong replied if the Company required further investment for a major project, the Company would consider offering the opportunity to existing shareholders through rights issue.

The Ordinary Resolution 7 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 7 was carried.

**14. ORDINARY RESOLUTION 8
PROPOSED RENEWAL OF THE EXISTING SHARE BUY-BACK AUTHORITY**

The Secretary informed the Meeting that the Ordinary Resolution 8 was in relation to the proposed renewal of the existing share buy-back authority.

The Secretary informed the shareholders that if approved by the shareholders, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The Ordinary Resolution 8 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 8 was carried.

**15. ORDINARY RESOLUTION 9
PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**

The Secretary informed the Meeting that the Ordinary Resolution 9 was in relation to the Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

The Secretary informed if this Ordinary Resolution 9 approved by the shareholders, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 27 January 2025.

The Secretary informed the shareholders that the interested directors, major shareholders and persons connected with them as listed in Section 6 on pages 15 to 17 of the Circular are deemed interested in this proposed shareholders' mandate.

The Ordinary Resolution 9 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 9 was carried.

**16. ORDINARY RESOLUTION 10
RETENTION OF MR LIM GHIM CHAI AS INDEPENDENT NON-EXECUTIVE
DIRECTOR**

The Secretary informed the Meeting that the Ordinary Resolution 10 was in relation to the Malaysian Code on Corporate Governance (“MCCG”), if the Company continues to retain the independent director after the ninth year, the Company should seek annual shareholders’ approval through a two-tier voting process. Under the two-tier voting process, shareholders’ votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the **Large Shareholder(s)** of the Company, Mr Chuah Ah Bee will vote; and
- Tier 2: Shareholders other than **Large Shareholders** will vote.

The Ordinary Resolution 10 was then put to the vote of the Meeting by e-polling.

The Secretary declared that Ordinary Resolution 10 was carried.

17. OTHER BUSINESS

The Secretary informed the members that no notice for any other business was received.

18. TERMINATION

There being no other matters to discuss, the Meeting ended at 11:30 a.m. with vote of thanks to the Chairman.

CONFIRMED CORRECT,

CHUAH HOON PHONG

Chairman

Date: 24 March 2025