

LIEN HOE CORPORATION BERHAD
(Registration No. 196901000161 (8507-X))
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company conducted on a fully virtual basis through live streaming from 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 on Monday, 30 November 2020 at 2.30 p.m.

Present : Mr. Yeoh Chong Keat (*Chairman, Independent Non-executive Director*)
Dato' Yap Sing Hock (*Managing Director*) (*via virtual meeting platform*)
Ms. Yap Tse Yeeng Christine (*Executive Director and Chief Executive Officer*) (*via virtual meeting platform*)
Mr. Cheong Marn Seng (*Executive Director*)
Dr. Teoh Kim Loon (*Independent Non-executive Director*)
Dato' Tea Choo Keng (*Independent Non-executive Director*)

In Attendance : Ms. Liew Chak Hooi (*Company Secretary*)

1. **INTRODUCTION AND QUORUM**

Mr. Yeoh Chong Keat, the Chairman of the Board of Directors (“the Chairman”) extended a warm welcome to all shareholders present at the Company’s Extraordinary General Meeting (“EGM” or “Meeting”) which was conducted on a fully virtual basis through live streaming, for the purpose of considering the proposed ordinary resolution as set out in the Notice of EGM dated 13 November 2020 (“Notice of EGM”).

Upon confirming the presence of a quorum with the Secretary, the Chairman duly called the Meeting to order.

2. **NOTICE**

There being no objection, the Notice convening the Meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

3. **VOTING**

In view of the COVID-19 pandemic and as part of the safety measures, the EGM was conducted on a fully virtual basis through live streaming and online remote voting. In accordance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM would be conducted on a poll.

The Chairman informed that he would exercise his right as the Chairman of the Meeting to demand for a poll in accordance with the Company’s Constitution in respect of the sole ordinary resolution which would be put to vote at the Meeting. The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) as the Poll Administrators to facilitate the poll voting process and Asia Securities Sdn Berhad as the Scrutineers to verify the poll results.

The Chairman further informed that the poll voting would be conducted electronically via the Remote Participation and Voting facility provided by Tricor and notified that the voting session had commenced at the start of the Meeting would continue until his announcement to close the voting session upon dealing with all the items on the agenda.

The Chairman also informed that members may use the online query box to transmit their questions on the sole agenda, and that the Directors present would endeavor to answer the questions posed at the question and answer (“Q&A”) session upon presentation of the sole agenda. For those questions, if any, that the Directors present are unable to answer during the Meeting, a response would be given by email after the Meeting.

The Chairman then invited Tricor to explain to the members present the voting procedures and steps for remote voting vide a video presentation.

4. **ORDINARY RESOLUTION**
- PROPOSED DISPOSAL OF A PARCEL OF VACANT LAND BY CHRISTINE RESORT SDN BHD, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO COUNTRYLAND REALTY SDN BHD FOR A CASH CONSIDERATION OF RM88,666,380 OR REDUCED PRICE OF RM64,621,260 WITHOUT DEVELOPMENT ORDER (“PROPOSED DISPOSAL”)

Shareholders’ approval was sought for the following ordinary resolution:-

“**THAT** subject to the requisite approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given for Christine Resort Sdn Bhd (“Christine Resort”), a wholly-owned subsidiary of Armada Resorts Sdn Bhd, which is in turn a wholly-owned subsidiary of the Company to dispose of a parcel of freehold land located within Bandar Seri Alam, 81750 Masai, Johor held under the title HS(D) 592954 PTD 239918, in the Mukim of Plentong, District of Johor Bahru, State of Johor, measuring an approximate area of 69.03 acres for a cash consideration of RM88,666,380 or reduced price of RM64,621,260 without development order and upon all other terms and conditions as contained in the sale and purchase agreement dated 4 September 2020 entered into between Christine Resort and Countryland Realty Sdn Bhd, including any amendment and/or extension thereof as mutually agreed.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things and to execute, sign and deliver all such documents and/or agreements as they may deem necessary or expedient to complete the Proposed Disposal with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities.”

5. **Q&A SESSION**

The Chairman invited the Executive Director, Mr. Cheong Marn Seng (“Mr. Allen Cheong”) to address the following questions:-

5.1 *Question posed by Chong Kong Hoe:-*

Based on the information provided in Section 2.7 Construction of Access Road in the Circular to Shareholders dated 13 November 2020, how long is the access road?

Mr. Allen Cheong responded that the length of the access road would be about 1.5 kilometers.

5.2 *Question posed by Lim Boon Yew:-*

(i) Why would the company sell the Land at a reduced price of RM64,621,260 (does not matter with or without Development Order)? What are the reasons for doing so?

(ii) Who are the owners/directors of Countryland Realty Sdn. Bhd (“Countryland Realty”)?

Mr. Allen Cheong responded that the Proposed Disposal would generate the much-needed cash flow to address the immediate and foreseeable funding needs of the Group. It would not only reduce the financial constraints currently faced by the Group and but will put the Group in a stronger financial position to ride out this difficult period, and will better position the Group for growth post COVID-19 pandemic.

On the second question posed by Mr. Lim, Mr. Allen Cheong replied that in the event that the KM Layout Approval (*“Kebenaran Merancang” to be issued by the local authority on the layout of the Land [a parcel of freehold land located within Bandar Seri Alam, 81750 Masai, Johor held under the title HS(D) 592954 PTD 239918, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring an approximate area of 69.03 acres or 279,355.5 sq. m. or 3,006,957.6 sq. ft.] comprising components as required by Countryland Realty*) or the SBKS Approval (*the approval of the land authority for “Serah Balik Kurnia Semula”, being the conversion and subdivision of the Land into subdivided lots for specific usages as required by Countryland Realty*) is unable to be obtained; or if the KM Layout Approval has a requirement for Affordable Housing being development of any low-cost, low medium-cost or medium-cost accommodation, Countryland Realty will have the option to purchase the Land at the reduced purchase price of RM64,621,260.00 (*“Reduced Priced”*). The Reduced Price was negotiated after taking into consideration the market value of the Land of RM90,000,000.00 (approximately RM30.00 per square foot), as appraised by the Independent Property Valuer, by using the Comparison Approach of valuation.

The Reduced Price is at a discount of RM25,378,740.00 or 28.2% to the market value as ascribed by the Independent Property Valuer, being considered justifiable after taking into consideration the following factors:-

- (a) as compensation for Countryland Realty for the additional costs to obtain the KM Layout Approval and the SBKS Approval at their own expense;

- (b) as compensation for Countryland Realty for the lower gross development value from the project to be undertaken in the event of Affordable Housing being a condition of the KM Layout Approval as Countryland Realty would then be subject to a penalty of RM60,000.00 per unit as a consequence of the exemption from developing Affordable Housing;
- (c) the Land being a part of a golf resort, which was no longer operational since 2013, has not been generating revenue;
- (d) there are limited transactional activities in the Johor property market since the outbreak of the COVID-19 pandemic in March 2020;
- (e) there is no other available offer and alternative purchaser for the Land at this juncture; and
- (f) the weakening interest in and demand for landed assets amid the worsening economic outlook and uncertainty caused by the unprecedented COVID-19 pandemic.

As set out in Section 2.4 of the Circular to Shareholders dated 13 November 2020, all the ordinary shares of Countryland Realty are owned by Pamir Development Sdn. Bhd. The directors of Countryland Realty are Messrs. Ng Lay Cheen, Oh Ah Tee @ Yau Ah Tee and Soh Peak Sia.

Upon addressing the questions posed by the shareholders, the Chairman concluded the Q&A session and informed the meeting that for any questions that the Directors present were unable to answer during the allotted time, responses would be provided via email after the Meeting.

The Chairman recapped that to facilitate the online voting process, he had at the start of the Meeting announced the commencement of the voting session and that the voting session would continue for another 5 minutes.

6. **POLLING**

At 2.50 p.m., the Chairman announced the closure of the voting session.

The Meeting was then adjourned at 2.50 p.m. for approximately 10 minutes for the Poll Administrators and Scrutineers to count and validate the votes cast by the shareholders.

7. **RESULTS OF THE POLL**

At 3.00 p.m., the Chairman called the Meeting back to order for the declaration of results. He informed that he had received the poll results and directed the shareholders present to refer to the poll results displayed on the screen.

The poll results in respect of the sole Ordinary Resolution were as follows:-

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Resolution	205,207,398	99.9917	17,000	0.0083	205,224,398	100.0000

The Chairman declared the Ordinary Resolution on the Proposed Disposal carried.

8. **CLOSURE**

There being no further business to be transacted, the Meeting was closed at 3.05 p.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

signed

CHAIRMAN

Date: 22 January 2021