

CSH ALLIANCE BERHAD

[Registration No. 200001002113 (504718-U)]

(Incorporated in Malaysia)

MINUTES OF THE TWENTY-SECOND ("22ND") ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY HELD AT BALLROOM V, MAIN WING, TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 29 NOVEMBER 2022 AT 10:06 A.M. ("THE MEETING")

DIRECTORS PRESENT : Encik Ahmad Ruslan Zahari Bin Zakaria
(Independent Non-Executive Chairman)

Mr. Kenny Khoo Chuan Wah
(Executive Director)

Mr. Chong Koon Meng
(Executive Director)

Mr. Tan Yip Jiun
(Executive Director)

Mr. Peter Yap
(Executive Director)

Mr. Sim Chiun Wee
(Executive Director)

Mr. Lim Peng Tong
(Independent Non-Executive Director)

Mr. Ng Keok Chai
(Independent Non-Executive Director)

IN ATTENDANCE : Ms. Abby Ang Yen Pei
(Representing the Company Secretaries)

Ms. Diong Gar Kinn
(Representing the Company Secretaries)

Ms. Kwan Kai Li
(Representing the Company Secretaries)

Ms. Sam Seow Cheng
(Representative of Messrs. DFK & Co.)

SHAREHOLDERS : As per Attendance List

PROXY HOLDERS : As per Attendance List

CORPORATE REPRESENTATIVES : As per Attendance List

BY INVITATION : As per Attendance List

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CHAIRMAN

Encik Ahmad Ruslan Zahari Bin Zakaria, the Independent Non-Executive Chairman ("**Chairman**") chaired the 22nd AGM. The Chairman welcomed all present to the 22nd AGM of the Company and called the Meeting to order at 10:06 a.m.

The Chairman then introduced Directors and the representatives of Company Secretary, and External Auditors, Messrs. DFK & Co. who were in attendance.

QUORUM

The requisite quorum being present pursuant to Clause 99 of the Company's Constitution, the Chairman declared the Meeting duly convened.

PROCEEDINGS

The Chairman informed the Meeting that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") and pursuant to Section 330 of the Companies Act 2016 ("**the Act**"), all resolutions which were put forth for voting at the Meeting would be voted by way of poll to demonstrate shareholder democracy of one-share one-vote.

The Chairman thereafter exercised his rights as the Chairman of the Meeting pursuant to Section 330 of the Act and Clause 105(1) of the Constitution of the Company, to direct the vote on all resolutions set out in the Notice of the 22nd AGM to be conducted by way of poll.

The Chairman further informed that there were shareholders who were unable to participate in the Meeting and had appointed him to vote on their behalf. Accordingly, the Chairman would be voting in his capacity as a proxy in accordance with the shareholders' voting instructions, where indicated.

The Meeting noted that as there was no legal requirement for a proposed resolution to be seconded. Ms. Ang Yen Pei, Abby, the representative of the Company Secretaries ("**Ms. Abby Ang**") explained on the proceedings of the Meeting whereby the Chairman would take the Meeting through each item on the Agenda, followed by a question and answer session. Shareholders, proxies or corporate representatives may cast their vote after all the questions raised during the Meeting had been dealt with.

The Meeting was informed that Mega Corporate Services Sdn. Bhd. was appointed as the poll administrator, and Mega Business Consultancy Division was the Independent Scrutineer to verify the results of the poll voting.

The Meeting noted that the determinant date of the General Meeting Record of Depositors was on 22 November 2022.

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NOTICE

The Notice convening the Meeting dated 28 October 2022, having been circulated within the prescribed period, was taken as read with the permission of the Meeting.

LETTER FROM MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)

The Chairman informed that the Company had received a letter from MSWG dated 21 November 2022 (“**Letter**”).

Mr. Kenny Khoo Chuan Wah (“**Mr. Kenny Khoo**”), the Executive Director of the Company, was invited to present the questions raised by the MSWG and the reply by the Company in response to the questions raised.

A copy of the Company’s written reply dated 25 November 2022 was annexed herein as “**Annexure A**”.

At this juncture, **Mr. Ooi Beng Hooi** (*an authorised representative of MSWG*) raised several questions and the responses from the Board of Directors (“**Board**”) were as follows:-

Q1. Question 1(a) of the Letter highlighted that the Company has been lossmaking for the past ten (10) years and enquired on the main reasons for the continuing lackluster performance. However, the Company’s reply merely addressed challenges that were mainly due to the COVID-19 pandemic in recent years.

What was the reason for the lossmaking before the pandemic hits, given that the performance of the Company was not inspiring?

A1. The Chairman explained that in the past, the Company’s main focus was in ceramic business involving manufacturing and exporting of vases and flower pots to North America. While the ceramic business remains cyclical, the emergence of ceramic manufacturers in Vietnam has created intense competition within the industry, challenging the profitability and sustainability of the ceramic business.

While relying on the ceramic business, the Company has been trying to search for its position in the economic sector as to which specific industry to venture into moving forward.

Q2. With regards to the Company’s reply to Question 3(d) of the Letter, please share the name of the stocks quoted on Bursa Securities which was provided to CSH Network Capital Sdn. Bhd. as collaterals for the loans granted to the third party.

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- A2. Mr. Kenny Khow explained that the stocks referred to was provided by borrowers to CSH Network Capital Sdn. Bhd. as collaterals for the loans granted by CSH Network Capital Sdn. Bhd. As such, the Company would not be able to disclose the names of the stocks provided as collaterals.

Mr. Kenny Khow further clarified that the Company does not invest in the stocks quoted on Bursa Securities.

Mr. Kenny Khow added that a majority of the loans granted were secured loans and the market value of the collaterals provided is generally above the loan amount.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON ("AFS 2022")

The Chairman informed the Meeting that the first item on the Agenda was to receive the AFS 2022.

The Meeting noted that the AFS 2022 was available in the Company's Annual Report 2022, which had been submitted to Bursa Securities and uploaded onto the Company's corporate website.

The Meeting further noted that formal approval from shareholders was not required for this item on the Agenda pursuant to Section 340(1)(a) of the Act. Hence, this Agenda item was not put forward for voting. The Chairman declared the AFS 2021 be received.

**2.0 ORDINARY RESOLUTION 1
PAYMENT OF DIRECTORS' FEES OF UP TO RM350,000/- FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023 ("FYE 2023") AND THEREAFTER, WHICH WAS PAYABLE QUARTERLY IN ARREARS**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 1 was to approve the payment of Directors' fees of up to RM350,000/- (Ringgit Malaysia: Three Hundred and Fifty Thousand) only for the FYE 2023 and thereafter, which was payable quarterly in arrears.

The Chairman informed that as part of the plan to mitigate the impact of the COVID-19 pandemic on the performance of the Company and its subsidiaries ("**Group**"), the Board had continued to reduce their Directors' fees by 40% with effect from 1 July 2020 on a voluntary basis.

The Chairman apprised that the Nomination Committee had recommended to the Board for a Director's fee of RM5,000/- per month be paid to the Chairman of the Board as a token of appreciation while the Directors' fees paid to the Directors for the FYE 2023 have remained at the reduced fee of RM3,000/- per month.

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**3.0 ORDINARY RESOLUTION 2
PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM40,000/- FROM 30
NOVEMBER 2022 UNTIL THE NEXT AGM OF THE COMPANY**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 2 was to approve the payment of Directors' benefits of up to RM40,000/- (Ringgit Malaysia: Forty Thousand) only, which shall comprise solely meeting allowances, to the Directors of the Company for the period from 30 November 2022 until the next AGM of the Company.

**4.0 ORDINARY RESOLUTION 3
RE-ELECTION OF MR. CHONG KOON MENG WHO WAS DUE TO RETIRE IN
ACCORDANCE WITH CLAUSE 120 OF THE COMPANY'S CONSTITUTION
AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 3 was to re-elect Mr. Chong Koon Meng, who was due to retire in accordance with Clause 120 of the Company's Constitution. Mr. Chong Koon Meng being eligible, has offered himself for re-election.

**5.0 ORDINARY RESOLUTIONS 4 AND 5
RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO WERE DUE TO
RETIRE IN ACCORDANCE WITH CLAUSE 121 OF THE COMPANY'S
CONSTITUTION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR
RE-ELECTION:-
(A) MR. NG KEOK CHAI; AND
(B) MR. SIM CHIUN WEE**

The Chairman informed the Meeting that the Proposed Ordinary Resolutions 4 and 5 were to re-elect Mr. Ng Keok Chai and Mr. Sim Chiun Wee, both retired in accordance with Clause 121 of the Company's Constitution. Mr. Ng Keok Chai and Mr. Sim Chiun Wee, both being eligible for re-election, had offered themselves for re-election.

The Meeting noted that the Proposed Ordinary Resolutions 4 and 5 in relation to the re-election of Mr. Ng Keok Chai and Mr. Sim Chiun Wee are to be voted upon individually.

**6.0 ORDINARY RESOLUTION 6
APPOINTMENT OF MESSRS. CHENGCO PLT AS AUDITORS OF THE
COMPANY IN PLACE OF THE RETIRING AUDITORS, MESSRS. FOLKS DFK &
CO. AND TO AUTHORISED THE DIRECTORS TO FIX THEIR
REMUNERATION**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 6 was to appoint Messrs. ChengCo PLT as Auditors of the Company in place of the

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outgoing Auditors, Messrs. Folks DFK & Co. for the ensuing year and to authorise the Board of Directors to fix their remuneration.

The Meeting noted that the outgoing Auditors, Messrs. Folks DFK & Co. had indicated that they do not wish to seek for re-appointment as auditors at the Meeting. Therefore, the Company had nominated Messrs. ChengCo PLT as the new Auditors of the Company, subject to the approval of the shareholders of the Company.

The Meeting further noted that Messrs. ChengCo PLT had given their consent in writing to act as the Auditors of the Company.

7.0 SPECIAL BUSINESS
ORDINARY RESOLUTION 7
WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT

The Chairman informed the Meeting that the Proposed Ordinary Resolution 7 was a Special Business in relation to the waiver of the pre-emptive rights under Section 85 of the Act.

The Chairman explained that the proposed waiver of pre-emptive rights would grant authority to the Directors of the Company to issue new shares to any person under the proposed general mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to the issuance.

At this juncture, **Mdm. Wong Lai Chan ("Mdm. Wong")** (*a shareholder*) raised the following question and the responses were as follow:-

Q1. What is a waiver of pre-emptive rights?

A1. Ms. Abby Ang explained that Section 85 of the Act indicated that new shares issued by a company that ranks equally to the existing shares as to voting or distribution rights shall be first offered to the existing shareholders. She then shared that in the *Concrete Parade Sdn. Bhd. v Apex Equity Holdings Bhd. [2021]*, the Court of Appeal had indicated that shareholders should not be denied of their pre-emptive rights under Section 85 of the Act, unless the shareholders have given their prior direction to the contrary.

Ms. Abby Ang added that this resolution for waiver of pre-emptive rights was tagged along with Ordinary Resolution 8 for authority to issue shares of up to ten per centum (10%) of the total number of issued shares of the Company pursuant to the Act. By passing both Ordinary Resolutions 7 and 8, the shareholders agreed to waive their pre-emptive rights under Section 85 of the Act, whenever the Board undertakes fundraising activities, such as private placement, pursuant to the general mandate as granted under Ordinary Resolution 8.

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Mr. Kenny Khow supplemented that the waiver of pre-emptive rights does not relate to rights issue of new shares. However, as per the legal technical clause, it has been mandatory for the Company to obtain shareholders' approval to waive their pre-emptive rights under Section 85 of the Act, before undertaking any corporate proposal which involves issuance of new shares in the Company which is not in proportion to the existing members' shareholdings.

**8.0 SPECIAL BUSINESS
ORDINARY RESOLUTION 8
AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 8 was a Special Business for the authority to issue shares pursuant to the Act.

The Chairman explained that the purpose to seek the General Mandate was to enable the Directors of the Company to issue and allot shares of up to 10% of the total number of issued shares of the Company pursuant to the Act, at any time to such persons in their absolute discretion without convening a general meeting ("**General Mandate**").

The Chairman further explained that the General Mandate would provide the Company with flexibility to undertake any possible fund-raising activities, including but not limited to placement of shares for the purpose of funding future investment projects, working capital and/or acquisitions. The Meeting noted that this authority unless revoked or varied by the Company in general meeting, would expire at the next AGM.

**9.0 SPECIAL BUSINESS
ORDINARY RESOLUTION 9
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") ENTERED INTO BETWEEN CHIPSENG HENG ENTERPRISE SDN. BHD. ("CHIPSENG HENG ENTERPRISE") AND THE COMPANY AND ITS SUBSIDIARIES ("CSH GROUP")**

The Chairman informed the Meeting that the Proposed Ordinary Resolution 9 was a Special Business in relation to the proposed renewal of shareholders' mandate for RRPT entered into between ChipSeng Heng Enterprise and CSH Group.

The Chairman explained that the proposed adoption of this resolution was to renew the shareholders' mandate for RRPT granted by the shareholders at the Twenty-First ("**21st**") AGM and Extraordinary General Meeting ("**EGM**") of the Company both held on 29 November 2021 and 3 June 2022 respectively, which were necessary for CSH Group's day-to-day operations but subject to the transactions being in the ordinary course of business and on normal commercial terms which were not more favourable to the related parties than those generally

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available to the public and were not to the detriment of the minority shareholders.

The Meeting noted that the interested Director, Mr. Tan Yip Jiun, had abstained and would continue to abstain from all deliberations and voting in respect of his indirect interest in the Company on the proposed Ordinary Resolution 9.

The Chairman further informed that all the interested parties had undertaken to ensure that they and the persons connected to them would be abstained from voting on the proposed Ordinary Resolution 9 at the Meeting.

10.0 SPECIAL BUSINESS

ORDINARY RESOLUTION 10

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT ENTERED INTO BETWEEN MMAG HOLDINGS BERHAD AND ITS SUBSIDIARIES ("MMAG GROUP") AND CSH GROUP

The Chairman informed the Meeting that the Proposed Ordinary Resolution 10 was a Special Business in relation to the proposed renewal of shareholders' mandate for RRPT entered into between MMAG Group and CSH Group.

The Chairman explained that the proposed adoption of this resolution was to renew the shareholders' mandate for RRPT granted by the shareholders at the 21st AGM and EGM of the Company both held on 29 November 2021 and 3 June 2022 respectively, which were necessary for CSH Group's day-to-day operations but subject to the transactions being in the ordinary course of business and on normal commercial terms which were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders.

The Meeting noted that the interested Directors, Mr. Kenny Khoo Chuan Wah and Mr. Chong Koon Meng, had abstained and would continue to abstain from all deliberations and voting in respect of their direct and indirect interest in the Company on the proposed Ordinary Resolution 10.

The Chairman further informed that all the interested parties had undertaken to ensure that they and the persons connected to them would be abstained from voting on the proposed Ordinary Resolution 10 at the Meeting.

11.0 ANY OTHER BUSINESS

The Meeting noted that no notice was received to transact any other ordinary business.

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12.0 QUESTION & ANSWER SESSION

The Chairman then invited questions from all participants.

At this juncture, **Mdm. Wong** (*a shareholder*) raised several questions and the responses from the Board were as follow:-

Q1. What were the steps taken by the Company to stabilise and improve its share price and improve the financial performance of the Company.

A1. Mr. Kenny Khoo and Mr. Chong Koon Meng ("**Mr. Jeff Chong**") explained that the Company had in recent years ventured into three (3) main pillars of businesses, which include financial services business, transportation and logistics business and electrical commercial vehicle business without heavily relying on the ceramic business.

Mr. Jeff Chong stressed the importance of businesses with recurring revenue in ensuring the sustainability and profitability of the Company.

The Management is confident that the three (3) main pillars of businesses would provide new marketing opportunities and recurring profit to the Company in driving the businesses.

Q2. Suggested to reduce the number of Directors as part of cost control measures.

A2. Mr. Kenny Khoo explained that age is not the sole determining factor for the appointment of Directors. Mr. Kenny Khoo added that Mr. Tan Yip Jiun is a Director nominated by one of the major shareholders of the Company, ChipSeng Heng Enterprise, while Mr. Jeff Chong and himself, are Directors nominated by MMAG Holdings Berhad.

Each Executive Directors oversee different business segments while the Independent Non-Executive Directors played a crucial role in ensuring governance and contributing their invaluable experience. The Board is committed to improving the performance of the Group and protects the interest of all shareholders.

13.0 POLLING PROCESS

After dealing with all the items on the Agenda and for polling purposes, the Chairman declared the closure of the registration for attendance at the Meeting.

Ms. Abby Ang explained the poll voting process and shareholders, proxies and corporate representatives be given time to cast their votes. The Meeting then proceeded with the casting of votes.

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After all votes had been casted, the Chairman announced the closure of voting and adjourned the Meeting at 10:58 a.m. to facilitate the verification of votes by the independent scrutineer.

14.0 ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:13 a.m. and the Chairman announced the poll results as follows:-

14.1 Payment of Directors' fees of up to RM350,000/- for the FYE 2023 and thereafter, which is payable quarterly in arrears

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 1	399,130,100	99.9999	220	0.0001	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

Ordinary Resolution 1

That the payment of Directors' fees of up to RM350,000/- for the financial year ended 30 June 2023 and thereafter, which is payable quarterly in arrears, be and is hereby approved.

14.2 Payment of Directors' Benefits of up to RM40,000/- from 30 November 2022 until the next AGM of the Company

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 2	399,130,100	99.9999	220	0.0001	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

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Ordinary Resolution 2

That the payment of Directors' benefits of up to RM40,000/- from 30 November 2022 until the next Annual General Meeting of the Company, be and is hereby approved.

- 14.3 Re-election of Mr. Jeff Chong, who is due to retire in accordance with Clause 120 if the Company's Constitution, and being eligible, has offered himself for re-election**

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 3	398,130,120	99.9999	200	0.0001	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

Ordinary Resolution 3

That Mr. Chong Koon Meng, a Director who retires in accordance with Clause 120 of the Company's Constitution, being eligible for re-election, be re-elected as a Director of the Company.

- 14.4 Re-election of Mr. Ng Keok Chai, who is due to retire in accordance with Clause 121 if the Company's Constitution, and being eligible, has offered himself for re-election**

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 4	399,130,220	100.0000	100	0.0000	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

Ordinary Resolution 4

That Mr. Ng Keok Chai, a Director who retires in accordance with Clause 121 of the Company's Constitution, being eligible for re-election, be re-elected as a Director of the Company.

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14.5 Re-election of Mr. Sim Chiun Wee, who is due to retire in accordance with Clause 121 if the Company's Constitution, and being eligible, has offered himself for re-election

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 5	399,130,220	100.0000	100	0.0000	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

Ordinary Resolution 5

That Mr. Sim Chiun Wee, a Director who retires in accordance with Clause 121 of the Company's Constitution, being eligible for re-election, be re-elected as a Director of the Company.

14.6 Appointment of Messrs. ChengCo PLT as Auditors of the Company in place of the retiring Auditors, Messrs. Folks DFK & Co. and to authorise the Directors to fix their remuneration

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 6	399,130,220	100.0000	100	0.0000	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

Ordinary Resolution 6

That Messrs. ChengCo PLT be appointed as the Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to fix their remuneration.

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14.7 Waiver of pre-emptive rights under Section 85 of the Companies Act 2016

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 7	399,130,220	100.0000	100	0.0000	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

SPECIAL BUSINESS

ORDINARY RESOLUTION 7

WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT

THAT approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Section 85 of the Act to be read together with Clause 15 of the Constitution of the Company.

AND THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 8 – Authority to Issue Shares pursuant to the Act.

14.8 Authority to Issue Shares pursuant to the Act

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 8	399,130,100	99.9999	220	0.0001	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

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SPECIAL BUSINESS

ORDINARY RESOLUTION 8

**AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT
(“PROPOSED GENERAL MANDATE”)**

***THAT** contingent upon the passing of the Ordinary Resolution on waiver of pre-emptive rights under Section 85 of the Act and subject always to the Act, the Constitution of the Company, Main Market Listing Requirements (“MMLR”) of Bursa Securities and subject to the approvals of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit always provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) pursuant to Paragraph 6.03(1) of the MMLR of Bursa Securities;*

***AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;*

***AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.*

14.9 Proposed Renewal of Shareholders’ Mandate for RRPT entered into between ChipSeng Heng Enterprise and CSH Group

Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 9	230,956,220	100.0000	100	0.0000	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

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SPECIAL BUSINESS

ORDINARY RESOLUTION 9

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT ENTERED INTO BETWEEN CHIPSENG HENG ENTERPRISE AND CSH GROUP

THAT subject to the provisions of MMLR of Bursa Securities, a renewal of the existing shareholders' mandate be and is hereby granted to CSH Group to enter into RRPTs with ChipSengHeng Enterprise as described in Section 2.2 Part (a) of the Circular to Shareholders dated 28 October 2022 ("**Circular**"), **PROVIDED THAT:-**

- (i) the RRPTs are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (ii) disclosure is made in the annual report with a breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year necessary for the Company's day-to-day operations;

AND THAT the authority conferred by such mandate shall commence immediately upon the passing of this Ordinary Resolution and continue to be in force until: -

- (i) the conclusion of the next AGM of the Company, at which time it will lapse unless, by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

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14.10 Proposed Renewal of Shareholders' Mandate for RRPT entered into between MMAG Group and CSH Group

Ordinary Resolution	Voted For		Voted Against		Result
	No. of shares	%	No. of shares	%	
Ordinary Resolution 10	168,630,220	99.9999	100	0.0001	Carried

Based on the results of the poll voting, the Chairman declared the following resolution be **CARRIED** and the Meeting **RESOLVED**:-

SPECIAL BUSINESS

ORDINARY RESOLUTION 10

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTS ENTERED INTO BETWEEN MMAG GROUP AND CSH GROUP

THAT subject to the provisions of MMLR of Bursa Securities, a renewal of the existing shareholders' mandate be and is hereby granted to CSH Group to enter into RRPTs with MMAG Group as described in Section 2.2 Part (b) of the Circular, **PROVIDED THAT**:-

- (i) the RRPTs are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (ii) disclosure is made in the annual report with a breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year necessary for the Company's day-to-day operations;

AND THAT the authority conferred by such mandate shall commence immediately upon the passing of this Ordinary Resolution and continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse unless, by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

CSH ALLIANCE BERHAD

[Registration No. 200001002113 (504718-U)]
(Incorporated in Malaysia)

(Minutes of the 22nd AGM held on 29 November 2022 – cont'd)

whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

15.0 CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 11:20 a.m.

SIGNED AS A CORRECT RECORD

- Signed -

**ENCIK AHMAD RUSLAN
ZAHARI BIN ZAKARIA**
CHAIRMAN

Dated: 29 November 2022



25 November 2022

**MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

Attention: Rita Foo

Dear Madam,

**RE: Letter from Minority Shareholders Watch Group for 22nd Annual General Meeting of
CSH Alliance Berhad on 29 November 2022**

We refer to your letter dated 21 November 2022 on the abovementioned matter.

Please find our replies to your queries below:

Operational & Financial Matters

1. CSH recorded a net loss of RM8.04 million on revenue of RM37.27 million in FY2022. Despite recording significant growth in revenue since FY2018, the Group remained in the red. (page 4 of Annual Report (AR) 2022)
 - (a) CSH has been lossmaking for the last 10 years. What were the main reasons for the continuing lackluster performance?

Reply

The pandemic has triggered severe economic and social disruption around the world; this has affected CSH too as our business is not only dependent on local but also overseas market.

- (b) Does the Group expect to turn profitable, and if yes, by when?

Reply

The Group has been working on a few business directions with quantifiable goals, ie: logistics and long haul business and also commercial electric vehicles (EV) targeting businesses. We expect to see revenue uplift starting from FY2023/24 onwards.

2. The Group diversified into the moneylending business in FY2020 and then into the manufacturing of and trading of gloves and other PPE products as well as transportation and logistics business in FY2021. Recently, CSH ventured into the distribution of commercial electric vehicles (EV) and its related services business through a strategic partnership between its wholly owned subsidiary Alliance EV Sdn. Bhd. (AEV) and BYD Malaysia Sdn. Bhd. (BYD), the Malaysian arm of BYD Company Limited.

(a) CSH is involved in numerous businesses. Which business segments would be your key focus going forward and why?

Reply

The Group's current key business segments and main revenue generating businesses are transportation & logistics and financial services. Based on our recent strategic directions, CSH is venturing into commercial EV to further drive and complement both of our key business segments through distribution of commercial EV and offering flexible financing schemes to the EV purchasers.

(b) Do you have any plans for further diversification in the coming years?

Reply

As of now, the management does not have any plans for further diversification. We need to stay focused on our business direction. However, the market conditions are unpredictable and therefore the management will not rule out any other viable business opportunities that come around.

3. The Group's moneylending arm, CSH Network Capital Sdn. Bhd. plans to grow its total loan size by extending its moneylending services to investment holding companies, SMEs and start-up entrepreneurs. As of 30 June 2022, CSH Network had an existing loan base of RM180 million. (page 17 of AR 2022)

(a) How many customers do you have at the end of FY2022? Please provide the breakdown of the financing receivables by lending purposes (eg. Personal financing, working capital, investment etc).

Reply

There was total of 29 customers as at the end of FY2022.

Breakdown of financing receivables by lending purposes as per below:

No.	Lending Purpose	RM
1.	Working capital and/or investment	4,979,390
2.	Investment	174,497,320
	Total	179,476,710

(b) What is the average annual effective interest rate for the financing receivables?

Reply

The average annual effective interest rate is 6% for unsecured financing receivables and 4% for secured financing receivables.

- (c) Short term financing receivables increased by 171% to RM178.57 million in FY2022 (page 51 of AR 2022). What is your targeted loan growth for FY2023?

Reply

The Group's effort to extend its customer base as well as the inclusion of EV business to the Group are expected to lead to an increase in demand for the loan facilities in FY 2023 whereby the Group may offer flexible financing schemes to transportation and logistics entrepreneurs/companies to fund the purchases of EV.

In view of the above, we expect our loan base in FY2023 to increase between the range of 20% to 30%.

- (d) The secured financing receivables of RM168.4 million as at 30 June 2022 are entirely secured against stocks quoted on Bursa Malaysia Securities Berhad (page 100 of AR 2022). What are these quoted stocks?

Reply

The secured financing receivables are secured against the stocks quoted on Bursa Malaysia Securities Berhad in the sector of technology, industrial products & services, consumer products & services amongst others.

4. In the preliminary phase of its EV business, AEV and BYD will work together for the distribution of EV in Malaysia as well as setting up of the 4S services centre. Currently, AEV and BYD are still in the planning stage for the implementation and execution of a local assembly plant of the EV in Malaysia. The Group had in May acquired some industrial lands in Tanjung Malim and Petaling Jaya for a total cash consideration of RM21 million for the purpose of building the CKD assembly plant and the 4S services centre. AEV had also made an advance payment of RM2.745 million for the purchase of 101 units of BYD T3 electric vans. (page 17 and 133 of AR 2022)

- (a) What is the projected total capital investment for this venture? What are the sources of funding? Do you expect to raise money from the equity market?

Reply

The projected total capital investment for the preliminary phase is approximately RM30 million (which includes cost of setting up the 4S services centre). Our sources of funding will be a combination of internal generated funds, borrowings and the balance proceeds of RM20 million raised from a right issue completed on 26 January 2022 which had been earmarked for EV business (please refer to Circular to Shareholders dated 19 May 2022, approved by shareholders at EGM on 3 June 2022 on the Proposed Variation to the utilisation of proceeds raised from the Company's rights issue of ordinary shares with warrants).

The subsequent phase involves both parties' strategic plan to build a CKD assembly plant or a fully assembly plant in Malaysia to reduce the EV vehicle cost and also support the local businesses. As part of the strategic plan, AEV has incurred RM12 million to secure 3 adjoining plots of industrial land in Tanjung Malim for the intended local assembly plant. AEV and BYD are still in the planning stage for the implementation and execution of the local assembly plant which the total construction cost and sources of funding could only be determined after the parties finalise the detailed requirements and arrangements for the local assembly plant.

- (b) What is the total cost for the 101 units of BYD T3 electric vans?

Reply

We are unable to reveal the cost of the vehicles as it is classified as confidential information. Pricing and cost information are kept within a limited group of persons in the Company.

- (c) When do you expect to start the distribution business?

Reply

AEV expects to commence the distribution business upon approval obtained from the regulatory bodies such as the Approved Permit from Ministry of International Trade & Industry ('MITI').

5. Gearing ratio was 2,198.6 times in FY2022. (page 4 of AR 2022)

CSH has total borrowings of only RM185,000 and shareholders' equity of RM406.14 million in FY2022. Hence, the gearing ratio is negligible. How did you arrive at a gearing ratio of over 2,000 times?

Reply

We take note on the calculation that the gearing ratio is negligible and has announced Errata on 23 November 2022 to rectify this error.

Corporate Governance Matters

6. Practice 1.4 of the Malaysian Code of Corporate Governance stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. For FYE 2022, the Company did not apply Practice 1.4. The Board Chairman, Ahmad Ruslan, is currently a member of AC, Remuneration Committee and Nomination Committee. Does the Company intend to apply Practice 1.4, and if yes, by when?

Reply

The Company is in the midst of reviewing the composition of its Board committees to enhance the check and balance mechanism at the Board level. In the meantime, the Chairman of the Board who is also a member of the AC, NC and RC observed a high level of governance and abstained from all deliberations and voting for matters he has an interest in to ensure that there is a proper check and balance as well as objective review by the Board. The Company intends to apply Practice 1.4 and will apply this said Practice 1.4 by 30 June 2023.

We hope the above have clarified the matters.

Thank you.

Yours faithfully,

- Signed -

Kenny Khoo Chuan Wah
Executive Director