

**HARRISONS HOLDINGS (MALAYSIA) BERHAD**  
(REGISTRATION NO. 199001003108 (194675-H))  
(INCORPORATED IN MALAYSIA)

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-SECOND ANNUAL GENERAL MEETING HELD AT ON A FULLY VIRTUAL BASIS VIA ONLINE MEETING PLATFORM AT [HTTPS://DVOTE.MY](https://dvote.my) ON WEDNESDAY, 22 JUNE 2022 AT 10:00 A.M.

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**ITEM 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

**Question 1**

Mr Teo Chen Fui, a shareholder enquired on the following:-

- Do you expect any significant contract lost in year 2022?
- Do you expect any significant contract win in year 2022?
- Given the cash on hand, do you plan to further reduce borrowings?
- Are there any mergers and acquisitions activities in discussion?

Mr Low Kong Choon, the Chief Financial Officer (“CFO”) replied that:

- As the Company was not in the construction industry, it was not required to tender or bid for any contract(s). However, the Company would sign the agency contracts. Generally, the agency contracts are for a period of three (3) years. The big agencies contracts like Nestle and Heineken have been regularly renewed for over eighty (80) years. Thus far, there were no significant agency contract lost during the financial year ending 2022.
- Management is not expecting any significant agency contracts to be won by the Company during the financial year ending 2022.
- In view of the trading revenue of approximately RM 2 billion for Harrisons and its subsidiaries (“Group”), the Group had used a lot of the banker acceptance which were short term instrument with a maturity period of 90 days. The borrowings and cash in hand of the Company would fluctuate according to the trade revenue and repayment of the banker acceptance upon maturity. Nonetheless, the debts level of the Group was well managed during the period of the Covid-19 pandemic due to monitoring on collections from the trade debtors. In addition, the net current asset, working capital and cash balance in hand of the Group had increased over the past two (2) years.
- There were no mergers and acquisitions activities in discussion.

**Question 2**

Mr Teo Chen Fui, a shareholders raised the following enquiries:-

- Will the new minimum wage policy impact the Company’s financial result?.

Mr Chang Kon Sang, the Chief Executive Officer (“CEO”) replied that:

- the impact of minimum wage policy to the Group was minimal, as the basic wage of most of the employees are above the minimum wage.

### **Question 3**

Mr Teo Chen Fui, a shareholders raised the following enquiries:-

- Any new candidate or an independent director to replace Mr Foo.

Mr Low Kong Choon, the Chief Financial Officer (“CFO”) replied that:

- the Nomination Committee and the Board had assessed and identified a suitable candidate with a banking background as a new independent director of the Company. The announcement for the appointment of the new independent director would be released by the Company in due course.

### **Question 4**

Mr Au Yong Chee Hoong, a shareholders raised the following enquiries:-

- Would the board share the challenges on minimum salary wage of RM1,500 salary wages, supply chain disruption and high commodity price due to Ukraine-Russia war.

Mr Chang Kon Sang, the Chief Executive Officer (“CEO”) replied that:

- On the question of minimum wage policy, please refer to the answer stated at the Respond to Question 2.
- The supply chain of the Group was disrupted but due to the delay caused by shipments logistics, production and raw materials supply faced by our suppliers. However, the Company was able to cope with the disruptions and the turnover for the year was higher than that of the previous year.
- Higher commodity prices due to the Ukraine Russian war eventually results in higher selling price of the goods we distribute. Higher selling price enable us as distributors to earn more if volume of sales do not decrease and our margins are unchanged.

### **Question 5**

Mr Ho Yueh Weng, a shareholder enquired on the following:-

- How will Company’s growth and profits outlook be going forward given the increased competition and inflationary environment, etc.?
- Will this level of dividends payment continue, and will it be given on a quarterly or half yearly basis instead on a yearly basis now?
- Is there any succession plan in place for the Company.

Mr Low Kong Choon, the Chief Financial Officer (“CFO”) replied that:

- The Group had done well in the financial year 2021 and recorded a record turnover and profits.

- As the Company required to reserve the cash for operations and business expansions, the Board would not to declare the dividend on a quarterly or half yearly basis. The Board would discuss and determine the payment of dividends on a yearly basis, subject to the performance and plans of the Company.
- The Company have the succession plans and risk management practices in place. During the past two (2) years, there were few key managers retired and promotions within the organisation were made based on our succession plans. Besides, the Group was in the midst of developing the sustainability practices which is headed by the Board of Directors.