

HARVEST MIRACLE CAPITAL BERHAD
(Formerly known as VORTEX CONSOLIDATED BERHAD)
[Registration No. : 199601010679 (383028-D)]
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING (“**27TH AGM**”) OF THE COMPANY HELD AT DEWAN PERDANA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON TUESDAY, 29 AUGUST 2023 AT 9.30 A.M.

PRESENT

SHAREHOLDERS AND PROXIES

As per attendance list

BOARD OF DIRECTORS

Mr. Tan Ooi Jin	:	Chairman/Executive Director
Mr. See Toh Kean Yaw	:	Executive Director
Ms. Lee Li Chain	:	Non-Independent Non-Executive Director
Dato’ Liu Han Ming	:	Non-Independent Non-Executive Director
Mr. Sam Kok Hong	:	Independent Non-Executive Director
Mr. Ling Wee Tak	:	Independent Non-Executive Director
Ms. Sherene Lee Mong Ee	:	Independent Non-Executive Director

IN ATTENDANCE

Ms. Leong Sue Ching : Company Secretary

BY INVITATION

Mr. Chong Aik Fun	}	Representatives of Crowe Malaysia PLT, the External Auditors
Mr. Siew Kar Fong		
Ms. Elvina Tay		
Mr. Lawrence Tan Ken Wen		
Ms. Kelly Tan		

1. CHAIRMAN OF MEETING

- 1.1 Mr. Tan Ooi Jin, presided as the Chairman and welcomed all present at the Twenty-Seventh Annual General Meeting (“AGM”) of the Company.
- 1.2 Chairman then introduced the Board of Directors who were present at the meeting physically.

2. QUORUM

- 2.1 With the confirmation of the Secretary that a quorum was present pursuant to Clause 91 of the Constitution of the Company, the Chairman declared the meeting duly constituted at 9.30 a.m.

3. NOTICE

- 3.1 The Chairman informed that the 2023 Annual Report of the Company dated 31 July 2023 together with the Notice of the Meeting therein had been circulated to all members and the Notice was advertised in the New Straits Times on the same date.
- 3.2 There being no objection, the notice convening the meeting, having been circulated to all the shareholders of the Company within the statutory period, was taken as read.
- 3.3 The Chairman further informed the members present that all resolutions at this meeting shall be put to the vote by way of a poll which will be conducted upon the completion of the deliberation of all items to be transacted at the AGM. There will also be a Q&A session held before the poll voting is taken.
- 3.4 For the poll voting, the Chairman announced that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") as Poll Administrator to conduct the polling process, and Quantegic Services Sdn. Bhd. ("Quantegic") as Independent Scrutineers to verify the poll results.
- 3.5 The Chairman informed the floor that the purpose of the 27th AGM was to seek the approval of the shareholders for 7 Ordinary Resolutions. Details of all the resolutions, he explained, can be found in the Company's 2023 Annual Report.
- 3.6 Before proceeding with the business of the 27th AGM, the Chairman informed the shareholders/proxyholders that the Company had received a list of questions from the Minority Shareholders Watch Group ("**MSWG**") on 21 August 2023 and he then read out the said questions and each corresponding responses from the Company. Full details of the reply are set out in Appendix A attached to this Minutes.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

- 4.1 The audited Financial Statements ("AFS") for the financial year ended 31 March 2023 with the Reports of the Directors and Auditors thereon, having been circulated to all the shareholders of the Company within the statutory period, were tabled at the Meeting for discussion.
- 4.2 The Chairman explained that the AFS would not require an approval from the shareholders in accordance with Section 340(1)(a) of the Companies Act 2016 and was meant for discussion only. Hence, this Agenda item was not put forward for voting.
- 4.3 The Chairman then invited comments and/or queries from the shareholders/proxy holders (if any) to be raised at the Q&A session later.

5. RE-ELECTION OF DIRECTORS

- 5.1 The Chairman informed that Directors Mr. Sam Kok Hong (Resolution 1) and Mr. See Toh Kean Yaw (Resolution 2), who were retiring by rotation in accordance with Clause 131 of the Constitution of the Company and being eligible, had offered themselves for re-election.

5.2 The profiles and attendance records of the retiring Directors standing for re-election were provided to the Members in the 2023 Annual Report.

5.3 The Chairman then went on to read out the next resolution pertaining to the re-election of Ms. Sherene Lee Mong Ee (Resolution 3) who was appointed during the year and is due for retirement in accordance with Clause 130 of the Constitution of the Company. Ms. Sherene Lee had also offered herself for re-election.

5.4 The Chairman put the motion to a vote to be conducted at the end of the meeting and invited the shareholders/proxies to raise questions during the Q&A session held later.

6. DIRECTORS' FEE (ORDINARY RESOLUTION 4)

6.1 The Chairman informed the Meeting that the next resolution was to approve the payment of Directors' Fees up to an aggregate amount of RM750,000.00 for the financial year ending 31 March 2024, to be payable quarterly in arrears.

6.2 The Chairman then invited the shareholders/proxies to raise questions during the Q&A session held later.

7. DIRECTORS' BENEFITS (ORDINARY RESOLUTION 5)

7.1 The Meeting proceeded to consider the motion on approval of payment of Directors' benefits up to an aggregate amount of RM50,000.00 from the passing of this resolution until the next Annual General Meeting of the Company.

7.2 The Chairman then invited the shareholders/proxy holders to raise questions during the Q&A session held later.

8. RE- APPOINTMENT OF AUDITORS (ORDINARY RESOLUTION 6)

8.1 The Chairman then proceeded with the next item on the agenda which concerned the re-appointment of Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

8.2 The Chairman then invited the shareholders/proxy holders to raise questions at the Q&A session held later.

9. SPECIAL BUSINESS – AUTHORITY TO DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 (ORDINARY RESOLUTION 7)

9.1 The Meeting continued to consider the motion on the authority to directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The full text of the proposed Ordinary Resolution 7 as set out in the Notice of the 27th AGM and the same was taken as read.

9.2 The Chairman then invited the shareholders/proxy holders to which the Board would address the questions during the Q&A session held later.

10. QUESTION AND ANSWER SESSION

10.1 After tabling all the resolutions as set out in the Notice of the AGM, Chairman welcomed questions from the floor and the summary of proceedings were recorded as follows:-

10.1.1 (i) Mr. Puravi S Pillay, a shareholder, recognised that the competitive IT industry had attributed to the contracted revenue from RM168 million for FYE 2022 to RM132 million for FYE 2023, which in turn, had driven the profits before taxation from RM7 million (FYE 2022) to a loss of RM7 million in FYE 2023. He made the following enquiries which the Board responded accordingly:

10.1.2 (a) On the Statements of Financial Position as at 31 March 2023 (page 55 of the 2023 Annual Report), it was noted that the short-term investment recorded a drop from RM43 million to RM31 million and the Deposit with a licensed bank had diminished from RM450,000 in FYE 2022 to nil in FYE 2023, whereas the Cash and bank balances spiked from RM18 million (FYE 2022) to RM32 million in FYE 2023. In relation thereto, he sought the reasons for these movements.

10.1.3 In response, the Chairman invited Mr. Siew KF, the Financial Controller, who clarified that during the last FYE, most of the cash movements between these 3 categories were utilised to support the short-term investment property.

10.2 There, being no further questions, the Chairman thanked Mr. Puravi for his questions and declared that the Q&A session closed.

11. VOTING SESSION

11.1 At 9.50 a.m., the Chairman announced the commencement of poll voting session after completion of the deliberation of all items transacted at the AGM. He then invited Tricor to explain the procedures for polling.

11.2 The Chairman then announced that the Meeting was adjourned at 9.50 a.m. for the poll vote count and shall resume after 20 minutes for the declaration of poll results in respect of Ordinary Resolutions 1 through 7. The results of the poll shall be verified by the Scrutineers, Quantegic Services Sdn. Bhd..

12. ANNOUNCEMENT OF POLL RESULTS

12.1 Upon completion of the counting of the votes, the Chairman called the meeting to order at 10.14 a.m. for declaration of results of the poll. The poll voting results are attached as 'Appendix 3'. Based on the poll results verified by the Scrutineers, the Chairman declared all resolutions tabled at the 27th AGM as carried.

12.2 (i) Re-election of Mr. Sam Kok Hong in accordance with Clause 131 of the Constitution of the Company (*Resolution 1*)

12.2.1 Mr. Chairman announced the poll results in respect of Resolution 1 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,312,633	17	99.99996	250	1	0.00004

12.2.2 Mr. Chairman declared that **Resolution 1** was duly passed as follows :-

12.2.3 “THAT Mr. Sam Kok Hong who retired by rotation in accordance with Clause 131 of the Constitution of the Company, be hereby re-elected as Director of the Company.”

12.3 (ii) Re-election of Mr. See Toh Kean Yaw in accordance with Clause 131 of the Constitution of the Company (*Resolution 2*)

12.3.1 Mr. Chairman announced the poll results in respect of Resolution 2 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,312,633	17	99.99996	250	1	0.00004

12.3.2 Mr. Chairman declared that **Resolution 2** was duly passed as follows :-

12.3.3 “THAT Mr. See Toh Kean Yaw who retired by rotation in accordance with Clause 131 of the Constitution of the Company, be hereby re-elected as Director of the Company.”

12.4 (iii) Re-election of Ms. Sherene Lee Mong Ee in accordance with Clause 130 of the Constitution of the Company (*Resolution 3*)

12.4.1 Mr. Chairman announced the poll results in respect of Resolution 3 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,312,633	17	99.99996	250	1	0.00004

12.4.2 Mr. Chairman declared that **Resolution 3** was duly passed as follows :-

12.4.3 “THAT Ms. Sherene Lee Mong Ee who was appointed during the year and due for retirement in accordance with Clause 130 of the Constitution of the Company, be hereby re-elected as Director of the Company.”

12.5 (iv) Directors’ fees for the financial year ending 31 March 2024 (*Resolution 4*)

12.5.1 Mr. Chairman announced the poll results in respect of Resolution 6 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,311,533	14	99.99977	1,350	4	0.00023

12.5.2 Mr. Chairman declared that **Resolution 4** was duly passed as follows :-

12.5.3 “THAT the payment of Directors’ fees up to an aggregate amount of RM750,000 for the financial year ending 31 March 2024 which is payable quarterly in arrears be hereby approved.”

12.6 (v) Directors’ benefits up to an aggregate amount of RM50,000 from the passing of this resolution until the next Annual General Meeting of the Company (*Resolution 5*)

12.6.1 Mr. Chairman announced the poll results in respect of Resolution 5 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,312,633	15	99.99994	350	3	0.00006

12.6.2 Mr. Chairman declared that **Resolution 5** was duly passed as follows :-

12.6.3 “THAT the payment of Directors’ benefits up to an amount of RM50,000 from the passing of this resolution until the next Annual General Meeting of the Company be hereby approved.”

12.7 (vi) Re-appointment of Auditors (*Resolution 6*)

12.7.1 Mr. Chairman announced the poll results in respect of Resolution 6 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of	No. of	%	No. of	No. of	%

	shareholders	shares		shareholders	shares	
Ordinary Resolution	598,312,633	17	99.99996	250	1	0.00004

12.7.2 Mr. Chairman declared that **Resolution 6** was duly passed as follows :-

12.7.3 “THAT the re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2023 and authorisation to the Board of Directors to determine their remuneration be hereby approved.”

12.8 (vii) Special Business – Proposed 10% General Mandate (*Resolution 7*)

12.8.1 Mr. Chairman announced the poll results in respect of Resolution 7 which was carried as follows:-

Resolution	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Ordinary Resolution	598,312,633	15	99.99995	283	3	0.00005

12.8.2 Mr. Chairman declared that **Resolution 7** was duly passed as follows :-

12.8.3 THAT, subject always to the Companies Act 2016, the Company's Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to:

1. allot shares in the Company; and/or
2. grant rights to subscribe for shares in the Company; and/or
3. convert any security into shares in the Company; and/or
4. allot shares under an agreement or option or offer,

("Proposed 10% General Mandate").

at any time and from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that it does not exceed 10% of the total number of issued shares of the Company as prescribed by the AMLR at the time of issuance of shares and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, and such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting (AGM) of the Company or when it is required by law to be held, whichever is earlier, AND THAT:

- (a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on

behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and

- (b) the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Berhad.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, the shareholders of the Company do hereby waive their preemptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

13. CONCLUSION

- 13.1 There being no other notice received to transact any other business (as confirmed by the Company Secretary), the Chairman concluded the Meeting and thanked all members who were present for their attendance.
- 13.2 The Meeting terminated at 10.15 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

CHAIRMAN

Dated:



29 August 2023

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
Level 23, Unit 23-2, Menara AIA Sentral,
No 30, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Attn: Devenesan Evanson
Chief Executive Officer

Dear Sirs,

RE: 27th Annual General Meeting (AGM) of Harvest Miracle Capital Berhad (“HMCB” or “the Group”) to be held on Tuesday, 29th August 2023

With reference to your letter dated 21 August 2023, we are pleased to answer the points that you had raised in the interest of minority shareholders and all other stakeholders of the Group.

Operational & Financial Matters

1. IT and ICT division generated RM 126.1 million in revenue, a drop of 24.2% compared to last year revenue of RM 166.3 million and a LBT of RM 0.9 million as compared to a profit before tax (“PBT”) of RM 2.5 million. The fulfilled demand from purchases in the past two years has contributed to the change in spending priorities which lead to unfavourable performance of this division (page 12 of Annual Report (AR) 2023).

What specific shifts have been observed in spending priorities? How does the Group intend to formulate a strategy for this division to achieve a turnaround profitability?

HMCB reply:

During Movement Control Order (“MCO”) period, the demand for Notebook, DIY products and Accessories surged with the introduction of work from home concept. The demand for these products is now back to the pre-MCO level. The Group will continuously discuss with brand owner of the product for more sustainable rebate mechanism.

2. There was no new project secured in the construction division and the LBT of RM 0.1 million was mainly due to the fixed costs incurred (page 12 of Annual Report (AR) 2023).
 - a. What is the composition of the fixed costs incurred in the construction division that resulted in the RM 0.1 million loss?

HMCB reply:

The expenses of RM 0.1 million incurred as result of remaining staff cost recognised up to beginning of 2nd quarter of FYE 2023.

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- b. What is the outstanding orderbook? Alternatively, if there are no new projects on the horizon, what contingency plans are in place to mitigate the risk of facing another loss in this business segment?

HMCB reply:

There isn't any orderbook at the moment. The Group will continue to look for opportunity for the division.

3. As for the property development division, the segment recorded a higher LBT of RM6.9 million compared to the previous financial year mainly due to higher Liquidated Ascertained Damages recognised (page 12 of AR 2023).

What were the specific factors that led to the increase in the recorded Liquidated Ascertained Damages (LAD) in the property development division?

HMCB reply:

Increase in the recorded LAD is due to expected delay of the completion date of "The Louvre" project located at Kajang.

4. The plantation division, the newly incorporated division was a successful move by the Group as the division contributed the most among the Group with PBT of RM 1.3 million (page 13 of AR2023).

- a. What are the key factors that attributed to the success of the plantation division?

HMCB reply:

Adequate fertilisation will be the key factor to ensure optimised output of Fresh Fruit Bunches ("FFB"). Higher FFB prices during financial year 2023 is another key factor which lead to the success of the division.

- b. How do you plan to sustain and enhance the division's positive financial performance?

HMCB reply:

As at 31 Mar 2023, there are balance 383 acres vacant land out of total 1,285 acres land under plantation division. The Group will continue to utilise those vacant land progressively to ensure growth in production and thus generate positive financial performance in future.

5. The Group reported a RM 7.5 million loss before tax ("LBT") mainly attributable by impairment loss on goodwill amounting to RM 5.8 million (page 12 of AR 2023)

- a. What factors contributed to the significant increase in impairment loss on goodwill?

HMCB reply:

Customer are becoming more price sensitive and competitive in pricing from online platform in recent years and thus resulting in losing of brand loyalty on reseller. As result, the expected future cash flow for IT & ICT division is unable to justify the remaining goodwill recorded in books, therefore impairment on goodwill is required.

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b. What were the reasons for the impairment of goodwill?

HMCB reply:

Kindly refer to the answer explained above.

c. Are impairments expected to increase going forward?

HMCB reply:

The Group do not expect any further impairment moving forward.

6. There is a notable rise in the impairment losses on investments in subsidiaries of RM 7.2 million in FYE 2023 (vs FYE2022: RM 1.0 million) (page 61 of AR2023)

a. To which subsidiaries do the impairment losses related to? What were the reasons for the substantial impairment losses in FY2023?

HMCB reply:

The impairment losses related to the following subsidiaries,

- I. Viewnet Computer System Sdn Bhd and group (IT & ICT division) – as result of impairment loss on goodwill result reduce the net worth below cost of investment of the division
- II. Valhalla Capital Sdn Bhd (money lending division) – as result of net worth lower than cost of investment of the company.

b. What are the measures taken by the Group to ensure that the impairment losses on investment in subsidiaries do not increase further?

HMCB reply:

There will not be any further impairment on subsidiaries as long as the subsidiaries is reporting positive performance. The Group is putting in effort to achieve cost efficiency which will largely contribute to better performance of the subsidiaries.

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Corporate Governance Matters

7. The Group recognised its non-adherence to Practice 4.4 of the Malaysian Code of Corporate Governance (MCCG), which mandates the assessment of Board and senior management performance, encompassing their handling of the Group significant sustainability risks and opportunities (page 16 of Corporate Governance (CG) Report 2023).

When does the Group intend to integrate relevant sustainability Key Performance indicators into the performance evaluation framework?

HMCB reply:

The Group is currently looking at adopting and implementing the ESG framework and at the same time, updating the performance evaluation scope.

8. The Group has departed from applying Practice 5.2 of the MCCG, which stated that at least half of the board comprises independent directors. For Large Companies, the board comprises most independent directors (page 19 of CG report).

This practice emphasizes that the composition of the Board should facilitate impartial and autonomous deliberation, evaluation and decision-making. A board with many independent directors enhances the oversight of management in a more effective manner (as per Guidance 5.2 of MCCG).

Currently the Board consists of seven (7) directors, comprising three (3) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors.

Is the Board planning to have more Independent Directors to comply with this practice? If yes, please provide information about the timeline for achieving this goal.

HMCB reply:

The Company is currently complied with Ace Market Listing Requirement provisions of at least 2 directors or 1/3 of the Board, whichever is higher, are independent directors. The Board reserve the rights to invite additional independent director if there are any suitable candidates.

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9. The Group acknowledges its deviation from Practice 13.6, which stipulates that the minutes of the general meeting should be distributed to shareholders no later than 30 business days after the general meeting (page 57 of CG Report 2023).

Listed companies are obligated by the Listing Requirements to promptly publish a summary of the key matters discussed at the annual general meeting following its conclusion. This summary can be uploaded to the website to ensure accessibility for shareholders.
Please take note.

HMCB reply:

Noted. The Group will ensure the AGM minutes publish at www.hmcap.my within 30 business days after the AGM on 29 August 2023.

Thank you.

Your Sincerely,
For and on behalf of
HARVEST MIRACLE CAPITAL BERHAD

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