

EVERGREEN FIBREBOARD BERHAD (217120-W)
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF
THE COMPANY HELD AT PHOENIX HOTEL, JALAN FOREST CITY 1,
PULAU SATU, 81550 GELANG PATAH, JOHOR DARUL TAKZIM, MALAYSIA
ON FRIDAY, 25 MAY 2018 AT 9.00 AM.**

PRESENT : Mr Jonathan Law Ngee Song (Independent Non-Executive Chairman)
Mr Kuo Wen Chi (Executive Director)
Mr Kuo Jen Chang (Executive Director)
Mr Kuo Jen Chiu (Executive Director)
Ms Mary Henerietta Lim Kim Neo (Executive Director)
Mr Kuan Kai Seng (Independent Non-Executive Director)
Mr Yap Peng Leong (Independent Non-Executive Director)
Ms Nirmala A/P Doraisamy (Independent Non-Executive Director)
Mr Henry S Kuo (Non-Independent Non-Executive Director)

CHAIRMAN

The Chairman of the Company, Mr Jonathan Law Ngee Song welcomed members attending the Meeting.

QUORUM

The requisite quorum being present in accordance with Article 61 of the Company's Articles of Association, the Chairman of the Meeting declared the Meeting duly convened.

CORPORATE REPRESENTATIVE/PROXIES

The Chairman requested the Secretary to read out the proxies received by the Company within the prescribed period.

The Secretary informed all present that she had within the prescribed period received fifty-two (52) proxy forms of a total 133,707,250 ordinary shares represented 15.80% in the capital of the Company within the prescribed period. Out of 52 copies of the proxy form, 43 shareholders appointed Chairman of the Meeting as their proxy. Details of the voting in accordance with the forms of proxy received read as follows:-

Resolution	For	Against	No Indication	Abstain
1.Approval payment of final single tier dividend	94,255,550	-	39,451,700	-
2.Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors	94,255,550	-	39,451,700	-

3.Re-election of Mr Kuo Jen Chang	94,255,550	-	39,451,700	-
4.Re-election of Mr Kuo Jen Chiu	89,616,900	4,638,650	39,451,700	-
5.Re-election of Mr Yap Peng Leong	94,255,550	-	39,451,700	-
6. Re-election of Ms Nirmala A/P Doraisamy	94,255,550	-	39,451,700	-
7.Approval of Non-Executive Director's fees and allowance	94,255,550	-	39,451,700	-
8.Approval of authority to allot shares pursuant to Sections 75 & 76	93,703,000	552,550	39,451,700	-
9. Approval of Proposed Renewal of Authority for the Company to purchase its own shares	94,255,550	-	39,451,700	-

NOTICE

It was unanimously agreed that the notice convening the meeting be taken as read.

ORDINARY BUSINESS

THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH THE REPORTS OF DIRECTORS' AND AUDITORS' REPORT THEREON.

The Audited Financial Statements for the year ended 31 December 2017 together with the Reports were tabled for discussion whereby Mr. Martin Leong, the Group's Head of Investor Relation was invited to present briefly on the Group's background, its financial position as at FYE 2017 and the initiatives taken by the Management to improve the Group's financial performance. The Secretary has on behalf of the Company to read out the answer pertaining to the written questions from the Minority Shareholder Watchdog Group.

Upon conclusion of the presentation, the Chairman invited shareholders to raise their questions on the financial statements tabled. The details of the discussion raised by members relating to the financial statements were as below:-

Members' questions	Board's replies
Mr Phoo Kin Seng	
1. The profit of the Company dropped since 2015 to 2017 as shown in page 9. When the Management is able to reverse the downtrend situation?	Mr Kuo Jen Chiu explained that there are 2 major issues happened in the Company in 2017: a. In first half of year 2017, shortage in

	<p>supply of rubber log due to wet weather conditions especially in Malaysia resulted higher log cost and lower production efficiency.</p> <p>b. In second half of year 2017, one of the production line in Thailand stop for almost 8 months due to the fire accident which affected the Group's performance.</p> <p>In our industry, the performance will be affected either by raw material or the market conditions, just like the others commodity market which influence by supply and demand. Hence, the Management diversify its operation in different countries such as, Indonesia, Malaysia and Thailand and diversify its market worldwide. In addition, the Management also continue to reduce the cost of operation in order to be cost efficient.</p>
<p>2. Can the increase in price of raw material passed to customer? From the presentation of Mr Martin earlier, the Company faces problem on the supply of raw materials due to the rainy season. Can the Company source cheaper raw material from others countries such as Indonesia and Thailand?</p>	<p>Mr Kuo Jen Chiu replied that log issue was localised. Wood log can't be exported as restricted by the laws of different countries. It is possible unless log have been further processed which the cost will become higher and the transportation cost will also be high.</p> <p>He further explained that the market can be classified into; domestic and international. International market is where all players in the world compete on ie Malaysia manufacturers need to compete with Thailand players as well as European's producers. Hence, we have to compete on the selling price.</p> <p>He added that the Company would focus on domestic market since we are operating in Malaysia and we are working to increase our domestic market shares. The Company has 4 competitors in Peninsular and 1 from East Malaysia.</p>
<p>3. In page 27, Key Performance Index (KPI) 2017 target was not achieved and the actual result is far from the</p>	<p>As mentioned just now, the 2 major issues in year 2017 impacted the Group's performance. We have to make sure the</p>

<p>targeted. Any KPI for year 2018?</p>	<p>market can accept the selling price and the raw material price is not too high. Mr Jonathan Law Ngee Song replied that we are not allowed to disclose the specific number in the public for 2018 KPI.</p>
<p>4. By changing from rubber wood to tropical wood, any problem with the raw material supply? Extreme weather happens anywhere. What is the long term solution for the supply of raw materials?</p>	<p>It was hard to harvest in the rainy season no matter is rubber wood or tropical wood. Harvesting was difficult where the infrastructure was not there. It happens worldwide. The intention on the changes not because of the weather but we diversified our products into premium products as tropical wood has certain qualities in term of water absorption and less prone to fungus.</p>
<p>5. In page 118 of annual report, there is an insurance compensation of RM38million. Is this for fire accident in Thailand? Has the operation in Thailand resume?</p>	<p>Yes, it has been resumed in February 2018.</p>
<p>Mr Ginny Chew</p>	
<p>1. What would be the impact to the Company if Government increases minimum wages? How many percent foreign workers in the Company?</p>	<p>Mr Kuo Jen Chiu replied that it is difficult to provide an exact figure as the Group have many plants. The Group's panel board operation, hired 80% to 90% of local workers. The foreign workers mainly for downstream operation. The minimum wages would have impact on foreign workers but for certain panel board plants there is not much impact as most of the Company's workers exceeded the minimum wages as they have served the Company for quite some time. Mr Kuo Jen Chiu further explained the concern is if we would to raise the wages for new employees from RM1000 to RM1500, there maybe impact on the existing old employees who earns above the minimum wage, their wages may have to adjusted accordingly as well given a higher base salary</p>
<p>2. How much is the extra amount to pay if the Government implement?</p>	<p>Mr Kuo Jen Chiu replied that it depends as they have a few plants in Malaysia.</p>

<p>Is it a significant value to the Company?</p>	<p>Currently, the existing staffs have exceeded the minimum wages but no guarantee there is no grievances from them. It will impact the whole industry. Ms Mary replied the percentage of foreign workers was about 25%. Out of the 25%, the new foreign workers started with RM1,000.</p>
<p>3. Any progression updates on the RTA?</p>	<p>Mr Kuo Jen Chiu replied we are focusing on the productivity. We concentrate in restructuring to achieve higher productivity with lower cost.</p>
<p>4. What is the sales channel of RTA?</p>	<p>Mr Kuo Jen Chiu explained the RTA is self-assemble products like IKEA. The sales channel would be online customers, distributors and furniture makers.</p>
<p>Mr Phoon Kin Seng</p>	
<p>1. Recently, there is an improvement in plywood price from April to June 2017. Are the prices of particle board and MDF also increase? Has the price increase accordingly?</p>	<p>Mr Kuo Jen Chiu explained that it would be some advantages but due to high plywood price over the past 10-20 years, market have looked for alternative substitutions, either MDF or particle board. Hence, it would help but not significant.</p>

Mr Tan Yee Seong, a proxy, said that it is difficult for the Management to have a long term plan on raw material supply. The Company was concentrating in marketing products in local market to mitigate commercial risk, on the ground Malaysia and Asia were fastest growing markets as the population increased which would have resulted in better demand due to increased population and growth in this region. Management has a foresight when they diversified which is the solution.

In terms of profit margin issue brought up in this meeting from fellow shareholders, Increase in selling price probably is a simple way to mitigate cost, however passing cost to consumers depends on products of the Company.

He subsequently shared a few ways Management could look into:

- a) Value added to the products
- b) Increase in productivity
- c) Introduce higher premium product to increase profit margin
- d) R & D new products
- e) Diversified into new market

The long-term log supply is an issue. It is not easy and unpredictable as it is affected by various natural factors and operations. Diversification is the practical solution. Other industries also will face weather problem, so to keep the cost under control is the real solution. Management also look into automation which should be one of the agenda to mitigate foreign workers, labour costs and pressure of wages issues. The Board thanked him for his suggestion.

There were no further questions raised and the Chairman proceeded to the next item of the agenda.

The Chairman informed shareholders on the floor that the remaining agendas would require voting by poll by shareholders, pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting as to save administrative time and the results of the poll would be announced after a short break at the end of the questions and answers of all the agendas.

2. RESOLUTION 1
APPROVAL OF FINAL SINGLE TIER DIVIDEND OF 1.38 SEN

The Chairman put the motion to the floor. As there was no question raised and Resolution 1 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

3. RESOLUTION 2
RE-APPOINTMENT OF MESSRS BAKER TILLY MONTEIRO HENG WHO RETIRES AS AUDITORS OF THE COMPANY AND AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION.

The Chairman informed the Members present that the retiring auditors, Messrs. Baker Tilly Monteiro Heng have indicated their willingness to continue in office.

The Chairman put the motion to the floor. As there was no question raised and Resolution 2 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

3. RESOLUTIONS 3, 4 & 5
RE-ELECTION OF DIRECTORS WHO RETIRES DURING THE YEAR IN ACCORDANCE WITH ARTICLE 101 OF THE COMPANY'S ARTICLES OF ASSOCIATION.

The Chairman, Mr. Jonathan Law Ngee Song proceeded to the next item of the agenda, that is, the re-election of Directors.

In accordance with Article 101 of the Company's Articles of Association, Mr Kuo Jen Chang, Mr Kuo Jen Chiu and Mr Yap Peng Leong shall retired from the Board at this Meeting and being eligible, have offered themselves for re-election to the Board. He put these respective motions to the floor.

As there was no question raised, Resolutions 3, 4 and 5 have to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

**4. RESOLUTION 6
RE-ELECTION OF DIRECTOR WHO RETIRES DURING THE YEAR IN
ACCORDANCE WITH ARTICLE 106 OF THE COMPANY'S ARTICLES OF
ASSOCIATION.**

In accordance with Article 106 of the Company's Articles of Association, Ms Nirmala A/P Doraisamy shall retired from the Board at this Meeting and being eligible, have offered herself for re-election to the Board. The Chairman put the motion to the floor.

Since there was no question raised, Resolution 6 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

**5. RESOLUTION 7
DIRECTOR'S FEES AND ALLOWANCE**

The Chairman, Mr. Jonathan Law Ngee Song proceeded to the next item of the agenda, that is, approval of Directors' fees and allowance amounting to RM306,100/- for the financial year ended 31 December 2017.

As there was no question raised and Resolution 7 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

SPECIAL BUSINESS

**6. RESOLUTION 8
AUTHORITY TO ALLOT SHARES – SECTIONS 75 & 76**

The Chairman proceeded to the following resolution 8 in relation to the authority to issue and allot shares pursuant to Sections 75 & 76 of the Companies Act, 2016 for shareholders' approval.

As there was no question being raised after the Chairman, Mr Jonathan Law Ngee Song put the motion to the floor, Resolution 8 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today's meeting.

**7. RESOLUTION 9
PROPOSED RENEWAL OF AUTHORISATION FOR THE COMPANY TO
PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE
ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY**

The Chairman proceeded with the resolution 9 in respect of proposed authority for the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company (“Proposed Share Buy-Back Authority”).

Since there was no question raised after the Chairman, Mr Jonathan Law Ngee Song put the motion to the floor, Resolution 9 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today’s meeting.

**8. RESOLUTION 10
CONTINUE TO DESIGNATE MR. JONATHAN LAW NGENE SONG AS AN
INDEPENDENT DIRECTOR**

The Chairman, Mr. Jonathan Law Ngee Song moved to the last motion for today’s meeting, which is pertaining to his office as an Independent Director of the Company. Being the interested Director for Resolution 10, he proposed to the shareholders at the floor to pass the Chair to Mr. Yap Peng Leong to proceed with the meeting on this resolution.

On the proposal of Mr. Phoon Kin Sheng and seconded by Mr. Chai Ah Guan, this last item of the agenda was chaired by Mr. Yap Peng Leong.

Mr. Yap Peng Leong informed shareholders present that Resolution 10 was tabled in compliance with the Malaysian Code on Corporate Governance as Mr. Jonathan Law Ngee Song has served the Company for eleven years. The Board is of the view that the Director does not cease to be independent by virtue of his long tenure on the board. The Nomination Committee has assessed and concluded that Mr Jonathan Law Ngee Song has and still continue to exercise his independence as a board member with integrity without any compromise and has always exercised his judgement in an unbiased manner. He still fulfills the requirements of the Listing Requirement as an Independent Director.

He invited shareholders to raise any question on the motion. Since there was no question being raised, Resolution 10 has to be voted by way of poll pursuant to Para 8.29A of the Main Market Listing Requirements which would be carried at the end of all the motion of today’s meeting.

Mr Yap Peng Leong then passed the Chair back to Mr. Jonathan Law Ngee Song to continue the meeting.

The Chairman, Mr Jonathan Law Ngee Song informed all members present that the polling would be conducted shortly simultaneously with all of the day’s agendas. He also made known that the representatives of Symphony Share Registrar Sdn. Bhd. have been appointed by the Company as the Poll Administrator for the polling and BDO Chartered Accountants were appointed as Scrutineers. Members were also informed of the relevant procedures to complete the polling papers prior to polling papers being distributed to the members present in the meeting.

Upon completing collection of all polling papers from members in the meeting, the Chairman informed all that there would be a short break of 15 minutes to conduct the poll count.

After the short break, the meeting resumed where the results of polling was handed to the Chairman, Mr Jonathan Law Ngee Song. The results of the polling were read as follows:-

Resolution No.	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
1.	414,213,896	100.0000	0	0.0000
2.	414,213,896	100.0000	0	0.0000
3.	109,328,390	100.0000	0	0.0000
4.	108,777,540	99.4962	550,850	0.5038
5.	414,213,896	100.0000	0	0.0000
6.	414,213,896	100.0000	0	0.0000
7.	414,203,896	99.9976	10,000	0.0024
8.	413,661,346	99.8666	552,550	0.1334
9.	413,170,696	100.0000	0	0.0000
10.	414,213,746	100.0000	150	0.0000

Mr. Jonathan Law Ngee Song declared that Resolutions 1, 2, 3, 5, 6 and 9 as set out in today's agendas were unanimously carried whilst Resolutions 4, 7, 8 and 10 were also carried by a majority of votes.

TERMINATION

The Meeting was adjourned at 10.35 a.m. with a vote of thanks to the Chairmen, Directors and Members present.

Confirmed as correct records

Chairman