

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 46TH ANNUAL GENERAL MEETING OF DAIBOCHI BERHAD HELD AT BUNGA TERATAI, 7TH FLOOR, RAMADA PLAZA MELAKA, JALAN BENDAHARA, 75100 MELAKA ON FRIDAY, 13 DECEMBER 2019 AT 11.30 A.M.**

---

Mr. Heng Fu Joe (the “Chairman”) chaired the 46th Annual General Meeting (“AGM”/ “Meeting”) of Daibochi Berhad (the “Company”/ “Daibochi”). The Chairman called the meeting to order at 11.35 a.m. after confirmation of the requisite quorum being present pursuant to Article 72 of the Company’s Constitution. As there were no objections from the floor, the Chairman declared the Notice of Meeting as having been read.

The Chairman informed that the resolutions put to vote at the Meeting shall be decided by poll voting. The Poll Administrator briefed the shareholders on the e-polling procedure and the usage of the polling device and the Independent Scrutineer confirmed that the e-polling procedures and systems have been tested and are proven reliable before the Meeting proceeded with the formal agenda of the AGM.

The Company’s Executive Director, Mr. Low Geoff Jin Wei addressed the queries and comments from shareholders, which included the following key matters:

1. The Group’s profit margin for the financial period ended 31 July 2019 (“FY2019”) was affected by certain factors, amongst others including high raw material prices, a one-off merger and acquisition (“M&A”) related transaction costs pertaining to the acquisition by Scientex Berhad (“Scientex”) and the acquisition of Mega Printing & Packaging Sdn Bhd (“MPP”) as well as inventory write-down.
2. The revenue growth of Daibochi Packaging (Myanmar) Company Limited has been affected by the weakening of Myanmar currency leading to a general slowdown in business activity, customer acquisition and orders.
3. The Group expects to benefit from synergies with Scientex and MPP, through pooling of resources, continue to grow the customer base and improve operational efficiency. MPP would focus on the domestic business and simpler laminate structures, whilst Daibochi would concentrate on more complex and customised packaging solutions/structures.
4. The manufacturing plant of the Company in Jasin has been leased to Scientex Great Wall Sdn Bhd (“SGW”) since August 2019 and the operational costs are borne by SGW. This would enable Daibochi to leverage on its core competency of converting and further enhance its operational efficiency.
5. Daibochi’s approach is to maintain the gearing ratio within manageable levels. The recent increase in gearing was due to the funding related to the acquisition of MPP. Daibochi does not have any immediate M&A plans. We would keep the market updated in the event there are such available opportunities.
6. The Company had revised its dividend policy in May 2019 to pay out annual dividend of not less than 30% of the Group’s normalised reported net profit attributable to shareholders for the financial year. This is in line with Daibochi’s strategy to provide sustainable dividends to shareholders consistent with the Company’s earnings growth whilst ensuring adequacy of funds for the Group’s continuous growth.

7. With regard to sustainable and innovative packaging solutions, Daibochi has developed and commercialised its first recyclable mono material laminated product for its customers in the food and beverage and fast-moving consumer goods segments. The first batch will be available on shelves in December 2019.
8. The Company's retiring Managing Director, Mr. Lim Soo Koon will be retiring after an illustrious career with Daibochi spanning 24 years. The appointment of the new Managing Director, Mr. Chang Chee Siong from within the Company is testament to Daibochi's succession planning in respect of key management positions. Mr. Chang has been part of Daibochi since 1994 and climbed the ranks to become the Group's marketing and sales general manager since 2014.

The Chairman conveyed the Board and Management's appreciation to Mr. Lim Soo Koon, the retiring Managing Director and welcomed the Company's new Managing Director, Mr. Chang Chee Siong to the Board.

The shareholders received the Audited Financial Statements of the Company for FY2019 together with the Reports of the Directors and Auditors thereon. All the resolutions tabled at the AGM of the Company were carried/duly passed by the shareholders.

The meeting ended at 12.45 p.m. with a vote of thanks to the Chair.