

Minutes of the Nineteenth Annual General Meeting (19th AGM or the Meeting) of **GREEN OCEAN CORPORATION BERHAD** (Green Ocean or the Company or the Group) duly convened and held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 20 December 2022 at 10.30 a.m.**

DIRECTORS' PRESENT : Dato' Nik Ismail bin Dato' Nik Yusoff – Chairman
Mr. Tay Ben Seng, Benson – Executive Director
Mr. Roy Winston George – Independent Non-Executive Director
Mr. Kang Teik Yih – Independent Non-Executive Director

ABSENT WITH APOLOGIES : Datuk Chong Loong Men
Mr. Teh Beng Choon

SHAREHOLDERS PRESENT : As per attendance list

IN ATTENDANCE : Ms. Wong Yuet Chyn – Company Secretary

BY INVITATION : Guests as per attendance list

NOTICE

Dato' Chairman welcomed the shareholders, proxies and guests to the Meeting. Dato' Chairman then took the chair and called the Meeting to order at 10.30 a.m.

Dato' Chairman informed that the 19th AGM was conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

Dato' Chairman then proceeded to introduce the members of the Board of Directors of the Company (Board), Company Secretary and External Auditors from Ecovis Malaysia PLT (Ecovis). Dato' Chairman extended apologies on behalf of Datuk Chong Loong Men and Mr. Teh Beng Choon for not able to attend the Meeting.

As informed by the Company Secretary that there being a quorum present, Dato' Chairman declared the Meeting duly convened. Based on the registration data as at 18 December 2022 given by the poll administrator, 23 shareholders of the Company had registered for attendance of the 19th AGM.

Dato' Chairman notified that the Notice convening the 19th AGM had been sent to all the shareholders of the Company and the said Notice was advertised in The Star on 31 October 2022 in accordance with the Company's Constitution. Dato' Chairman proposed and the Meeting consented that the Notice be taken as read.

Dato' Chairman informed the members that in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), all the resolutions as set out in the Notice will be voted by poll. For this purpose, Dato' Chairman has exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 92 of the Company's Constitution in respect of all resolutions which would be put to vote at the 19th AGM.

Dato' Chairman then invited the Company Secretary, Ms. Wong Yuet Chyn, to guide through the procedures and items of the agenda of the 19th AGM on his behalf.

The Company Secretary informed that the polling will be conducted electronically via the remote participation and voting session started from the commencement of 19th AGM until the announcement from the Chairman of the end of voting session.

The Share Registrar, Workshire Share Registration Sdn. Bhd. has been appointed as the Poll Administrator to conduct the e-polling process and BTS Solution Sdn. Bhd., the Independent Scrutineer be appointed to verify the poll results.

The Company Secretary informed that the Board will deal with the shareholders' questions after the deliberation of all the agenda. The Board will try their best to address all the questions by email at the earliest possible after the Meeting if the Board were unable to address all the questions received from shareholders and/or proxies.

The Company Secretary informed that the Minority Shareholders Watch Group (MSWG) had vide its letter dated 9 December 2022 addressed to the Board sought information and clarification on the Operational and Financial Matters and Corporate Governance Matters. On behalf of the Board, the Company Secretary thanked MSWG for giving the Company notice of their questions to enable the Board to reply officially to their letter.

For the information of the members present, the MSWG's questions and the responses from the Management were read out as follows:

OPERATIONAL & FINANCIAL MATTERS

Question 1 (a) & (b)

In FY2022, glove business contributed 85.6% of the Group's total revenue. The Group recorded a gross loss margin of 3.29% compared to a gross profit margin of 0.57% in FY2021. This was mainly due to the downward trend in the selling prices of gloves (page 4 & 6 of Annual Report (AR) 2022).

- (a) How does the Group intend to manage the gross profit level which was mainly impacted by the abovementioned factor?
- (b) Given the oversupply and falling average selling prices (ASP) of gloves, in what ways can the Group improve its gross profit margin? Has the Board evaluated the sustainability of the Group's manufacturing and trading of glove business?

Answer 1 (a) & (b)

Downward trend in the selling prices of gloves is the norm in the industries when the supply is more than the demand.

The Board has evaluated the sustainability of the Group's manufacturing and trading of glove business, and the Board believes that once the supply and demand in the market strike a balance, the glove demand will increase as expected an annual growth of 10% to 12% as projected by Malaysian Rubber Glove Manufacturers Association (MARGMA).

While waiting for the supply and demand strike a balance in the market, the Group will continue to explore new local/overseas customers and will continue to emphasise cost rationalisation and operational efficiency across our operations.

Question 1(c)

The Company completed various fundraising exercises - rights issue with warrants on 4 January 2021 and private placement on 27 August 2021, the amount of proceeds raised that were earmarked for capital expenditure for the glove business still has an unutilised balance of RM26.1 million and RM7.99 million respectively as of 30 August 2022 (page 41 of AR 2022). Given the current glove sector landscape, which is experiencing intense market competition, oversupply situation and decline in ASP of gloves, has the Board deliberated on the feasibility of constructing a new glove manufacturing facility? What is the progress of the Group's investment in the glove manufacturing business?

Answer 1(c)

The Group is in the midst of reviewing the timeline to kick-start the glove production line. A new Executive Director, Mr. Teh Beng Choon was appointed to the Board on 21 October 2022. Mr. Teh started his career as a Production Engineer in 2009 with one of the pioneers in equipment supply and turnkey service provider in the dipped latex field. In his 12-year stint in the organisation, Mr. Teh gained recognition by being promoted and playing key roles in the company, such as System & Product Development Manager and Project Manager. Mr. Teh also led the technical division for projects and had been a consistent major contributor to the Group's revenue.

Being in the same industry for years and have been involved in major projects in the rubber glove, condom and balloon industry worldwide, Mr. Teh is sound in process instrumentation, electrical control system design and 3D modelling. Mr. Teh leverages on his past experience and is currently managing multiple projects from local and abroad mainly in automation and turnkey project service for rubber glove manufacturing field.

The Board believes with Mr. Teh's background and his past experience in the rubber glove manufacturing field, able to contribute and bring in revenue to the Group.

Question 1(d)

Moving forward, what are the Group's strategies to deliver more sustainable growth in terms of financial performance and consequently deliver better shareholders value?

Answer 1(d)

The Group remains positive on the glove business. The Group continues to undertake initiatives to improve its financial condition. On 3 January 2022, the Group incorporated a new wholly-owned subsidiary namely, Ace Distributions Sdn. Bhd. (ADSB). This business segment has recorded a total revenue of RM1.1 million, which made up of 14.4% of the total revenue in FYE 2022.

Question 2(a), (b) & (c)

The Group reported loss from operations of RM20.77 million in FY2022 (FY2021: loss from operations of RM12.06 million). The key contributors included the loss from disposal of quoted investment of RM7.36 million and mark-to-market loss on investment in quoted investment of RM10.58 million (page 6 & 58 of AR 2022).

- (a) The Group purchased quoted shares amounted to RM47.13 million and recorded a loss from disposal of quoted shares of RM7.36 million (Statement of Cashflows, page 61 & 62 of AR 2022). What is the rationale or investment objective of purchasing and disposing of the quoted shares?
- (b) Which quoted shares contributed to the unrealised fair value loss of RM10.58 million? Please provide a breakdown by stock name and amount of the quoted shares that Green Ocean invested in FY2022.
- (c) How does the Board manage the risks associated with investing in these investment securities?

Answer 2(a), (b) & (c)

The Group invests in the quoted shares which have good prospects and potential returns. It has diversified its investment in quoted shares from different markets and from different industries such as consumer products & services, industrial products & services etc. which can help protect and mitigate the risk and volatility in the investment portfolio. The Group does not disclose the breakdown of the unrealised fair value loss in quoted shares. An Investment Committee has been set up to assist Board to perform its oversight function, recommending to the Board, and reviewing all significant investments made and to be made by the Group.

Corporate Governance Matters

Question 3

Green Ocean's Executive Director (ED) Mr. Tay Ben Seng, Benson also serves as ED of Saudee Group Berhad and Oversea Enterprise Berhad.

Given the persistently loss-making status of Green Ocean, would Mr. Tay reconsider his commitment in other public listed companies to focus on turning around Green Ocean?

Answer 3

To improve the Group's financial condition. On 3 January 2022, a new wholly owned subsidiary namely, Ace Distributions Sdn. Bhd. was incorporated to venture into food and beverages business. This segment is led by Mr. Tay Ben Seng, Benson. With Mr. Benson vast experience and knowledge in F&B operations, this subsidiary has recorded a total revenue of RM1.1 million in FY2022.

The Group is confident that the newly joined Executive Director, Mr. Teh Beng Choon who is experienced in gloves industry and Mr. Benson who is knowledgeable in food and beverage industry able to turn around the loss-making status of Green Ocean.

Question 4(a) & (b)

Practice 5.9 of the Malaysian Code of Corporate Governance states that the board should comprise at least 30% women directors. The Board currently does not have any female director. Pursuant to the Company's explanation the Board affirms its commitment to boardroom diversity as a truly diversified board can enhance the Board's creativity, efficiency and effectiveness (page 27 of CG Report 2022).

The Company newly appointed two male directors on 21 October 2022 (page 2 of AR 2022).

- (a) Did the Nomination Committee consider any female candidate as potential director, prior to appointing two male directors?
- (b) Please note that all public listed companies on Bursa Malaysia should have at least one-woman director by June 2023. What is the progress in identifying suitable candidates? How many candidates were interviewed and shortlisted?

Answer 4(a) & (b)

The Board noted that all public listed companies on Bursa Malaysia should have at least one-woman director on or after 1 June 2023.

The Group is in the initial stage of identifying suitable candidates based on their competencies, expertise, skills, background and other qualities that the Board found are important which contribute to the Board's diversity.

The Company Secretary then proceeded with the agenda of the Meeting.

1. AUDITED FINANCIAL STATEMENTS (AFS) OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (FYE 2022) AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Company Secretary informed that as provided for in Section 340(1)(a) of the Companies Act 2016 (CA 2016), it is not required that the AFS be formally approved and therefore the first item of the agenda was meant for discussion only and was not put forward for voting.

2. PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024 (FYE 2024)

Ordinary Resolution 1 on the proposed payment of Directors' fees of RM150,000.00 for the FYE 2024.

The Company Secretary then proceed to next agenda of the Meeting.

3. PAYMENT OF DIRECTORS' BENEFITS FOR THE FYE 2024

Ordinary Resolution 2 on the proposed payment of Directors' benefits of RM14,000.00 for the FYE 2024.

The Company Secretary then proceed to next agenda of the Meeting.

4. RE-ELECTION OF MR. ROY WINSTON GEORGE (MR. ROY) AS DIRECTOR WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 134 OF THE COMPANY'S CONSTITUTION

Ordinary Resolution 3 on the proposed re-election of Mr. Roy as Director of the Company. Mr. Roy, being eligible, had offered himself for re-election as Director of the Company.

The Company Secretary then proceed to next agenda of the Meeting.

5. RE-ELECTION OF MR. TAY BEN SENG, BENSON (MR. BENSON) AS DIRECTOR WHO RETIRES PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION

Ordinary Resolution 4 on the proposed re-election of Mr. Benson as Director of the Company. Mr. Benson, being eligible, had offered himself for re-election as Director of the Company.

The Company Secretary then proceed to next resolution of the agenda of the Meeting.

6. RE-ELECTION OF DATUK CHONG LOONG MEN (DATUK CHONG) AS DIRECTOR WHO RETIRES PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION

Ordinary Resolution 5 on the proposed re-election of Datuk Chong as Director of the Company. Datuk Chong, being eligible, had offered himself for re-election as Director of the Company.

The Company Secretary then proceed to next resolution of the agenda of the Meeting.

7. RE-ELECTION OF MR. TEH BENG CHOON (MR. TEH) AS DIRECTOR WHO RETIRES PURSUANT TO CLAUSE 119 OF THE COMPANY’S CONSTITUTION

Ordinary Resolution 6 on the proposed re-election of Mr. Teh as Director of the Company. Mr. Teh, being eligible, had offered himself for re-election as Director of the Company.

The Company Secretary then proceed to next resolution of the agenda of the Meeting.

8. RE-APPOINTMENT OF ECOVIS MALAYSIA PLT (ECOVIS) AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023 (FYE 2023) AND TO AUTHORISE THE BOARD TO FIX THEIR REMUNERATION

Ordinary Resolution 7 on the proposed re-appointment of Ecovis as Auditors of the Company for the FYE 2023 and to authorise the Board to fix their remuneration.

The Company Secretary informed in the Meeting that Ecovis have indicated their willingness to accept the re-appointment. A representative from Ecovis, Ms. Yong Hui Nee introduced herself to the shareholders.

The Company Secretary then proceed to next agenda of the Meeting.

9. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE CA 2016 (PROPOSED GENERAL MANDATE)

The Company Secretary informed that the following motion was tabled for consideration as **Ordinary Resolution 8**.

“**THAT** pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided always 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 of issuance and such authority under this resolution shall continue in force until the conclusion of the Twentieth (20th) AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (Bursa Securities).

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered New Shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 65 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

The Company Secretary then proceed to next agenda of the Meeting.

10. ANY OTHER BUSINESS

The Company Secretary confirmed that the Company had not received any notice for transaction of any other business for today’s meeting.

Dato' Chairman then proceeded with the Question and Answer (Q&A) session for the Board and management of the Company to deal with the questions from the shareholders.

The following questions were raised by shareholders and the responses made by the Board and management of the Company.

Question 1

Ms. Fanny Wong Phooi Fun (Shareholder) enquired whether glove companies are facing oversupply and a downtrend in glove selling prices. In your opinion, what is the Management view of the glove prospect?

Answer 1

Mr. Benson informed that the Group expects in the near term, the glove business environment remains challenging in terms of oversupply in the glove and normalisation of average selling prices. However, the Group believes that once the supply and demand in the market strike a balance, the glove demand is expected to have an annual growth of 10-12% as projected by the Malaysian Rubber Glove Manufacturers Association (MARGMA).

Question 2

Ms. Fanny Wong Phooi Fun (Shareholder) enquired whether Green Ocean will start its glove production line?

Answer 2

Mr. Benson informed the Group is in the midst of preparing to set-up and starts the glove production line. A new Executive Director, Mr Teh has joined the Group in Oct 2022. The Group in the opinion that with Mr Teh's background and his past experience in the rubber glove manufacturing field, able to contribute input to the start-up and operations of the glove manufacturing line.

Question 3

En. Mohd Tahir bin Maulut (Proxy) enquired on the Company's future outlook.

Answer 3

Mr. Benson informed that the Company's future outlook is stated on page 10 of the Annual Report 2022 of the Company.

Question 4

En. Mohd Tahir bin Maulut and Mr. Lee Eng Fock (Proxies) request the Board to give e-wallet or e-voucher to attendees as a token of appreciation, which the token sum is small, manageable and within annual budgeted expenses.

Answer 4

Mr. Benson informed that the Management will arrange for a token of appreciation to the shareholders who attended the Meeting in due course.

There are no further questions raised by shareholders. With that, Dato' Chairman announced the allocation of a further 5 minutes for the shareholders to complete casting their votes.

The Chairman then announced the closing of the online voting session and then adjourned the Meeting for approximately 25 to 30 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed scrutineer.

The Meeting resumed at 11.50 a.m. The scrutineer submitted the report of the results to Dato' Chairman. The results of the poll which were as follows:

Resolution	Voted For			Voted Against		
	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
Ordinary Resolution 1 Payment of Directors' Fees for the FYE 2024	15	628,871,294	99.9854	5	91,988	0.0146
Ordinary Resolution 2 Payment of Directors' Benefits for the FYE 2024	15	628,871,294	99.9854	5	91,988	0.0146
Ordinary Resolution 3 Re-election of Mr. Roy	16	628,921,294	99.9933	4	41,988	0.0067
Ordinary Resolution 4 Re-election of Mr. Benson	19	628,963,094	99.9999	1	188	0.0000*
Ordinary Resolution 5 Re-election of Datuk Chong	18	628,921,594	99.9934	2	41,688	0.0066
Ordinary Resolution 6 Re-election of Mr. Teh	19	628,963,094	99.9999	1	188	0.0000*
Ordinary Resolution 7 Re-appointment of Auditors	20	628,963,282	100.0000	0	0	0.0000
Ordinary Resolution 8 Authority to Issue and Allot shares pursuant to Sections 75 and 76 of the CA 2016	16	628,921,294	99.9999	3	488	0.0001

* *Negligible.*

Dato' Chairman then declared the above resolutions carried.

TERMINATION

There being no other business, the Meeting concluded at 11.52 a.m. with a vote of thanks to the Chair.

CONFIRMED

DATO' NIK ISMAIL BIN DATO' NIK YUSOFF
Chairman

Date: 20 December 2022