

CENTRAL GLOBAL BERHAD
Registration No. 201801036114 (1298143-T)
Incorporated in Malaysia

MINUTES of the Extraordinary General Meeting (“EGM” or “the Meeting”) of Central Global Berhad (“CGB” or “the Company”) conducted on a virtual basis at the Broadcast Venue at A5-06, Block A, Plaza DwiTasik, Jalan 5/106B, Bandar Sri Permaisuri, 56000 Kuala Lumpur on Tuesday, 19 September 2023 at 10:30 a.m.

DIRECTORS PRESENT : Dato' Faisal Zelman bin Datuk Abdul Malik
(*Chairman of the Meeting*)
Mr. Chew Hian Tat
Mr. Lee Chee Vui
Mr. Lee Swee Meng
Encik Sahari bin Ahmad
Madam Tan Suat Hoon

IN ATTENDANCE : Ms. Lim Seck Wah (Secretary)
Ms. Kong Mei Kee (Secretary)

BY INVITATION : As per Attendance List

SHAREHOLDERS/PROXIES : As per Attendance List

CHAIRMAN

The Chairman of the Company, Dato' Faisal Zelman bin Datuk Abdul Malik (“Dato’ Chairman”) took the chair and called the Meeting to order. He welcomed and thanked the members, proxies and invited guests for participating remotely from various locations through live streaming.

Dato’ Chairman proceeded to introduce the Board members present at the Broadcast venue and remotely.

Dato’ Chairman informed that the Company Secretaries, the Advisers and Senior Management team were also participating the Meeting remotely.

QUORUM

Pursuant to Clause 63 of the Company’s Constitution, two (2) members present in person or by proxy shall constitute a quorum for the meeting. The Company received registration of 142 valid members and proxies, making a total of 81,607,116 shares represented 50.80% of the total issued shares of the Company logged in at the commencement of the Meeting.

With the requisite quorum was present, Dato’ Chairman declared the EGM duly convened.

NOTICE

The Notice of EGM dated 4 September 2023 having been circulated to all members within the statutory period, was taken as read.

Dato' Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the resolution tabled at this EGM would be voted by way of poll which would be conducted electronically provided by Mega Corporate Services Sdn. Bhd., the appointed Poll Administrator and would be verified by Cygnus Technology Solutions Sdn. Bhd. who has been appointed as the Independent Scrutineer by the Company.

Dato' Chairman invited all participants to post questions in the Questions panel of the webinar where the Board members would address the questions during the Question & Answer session after tabling the resolution. Dato' Chairman informed that for those questions which are unable to be addressed in this EGM, the management would reply by email as soon as possible after the Meeting.

Dato' Chairman informed that shareholders and proxies who have registered via the designated link, should have received an email on Digital Ballot Form (DBF) together with the remote-voting guide on how to cast the votes. The voting on the resolution could be done at any time throughout the Meeting until the closure of the voting session.

BUSINESS OF THE MEETING

1. ORDINARY RESOLUTION - PROPOSED ACQUISITION

Dato' Chairman informed that the purpose of this EGM was to obtain the shareholders' approval for the Proposed Acquisition by CIC Construction Sdn. Bhd. ("CICC"), a wholly-owned subsidiary of CGB, the remaining 30% equity interest in RYRT International Sdn. Bhd. ("RYRT International"), equivalent to Six Hundred Thousand Thirty (600,030) ordinary shares in RYRT International from RYRT Holdings Sdn. Bhd. for a purchase consideration of Ringgit Malaysia Thirteen Million Two Hundred Sixty Thousand (RM13,260,000) to be satisfied via the issuance of Ten Million Two Hundred Thousand (10,200,000) new ordinary shares in CGB at an issue price of RM1.30 per consideration share, and the material variation to the first sale and purchase agreement and profit guarantee agreement as well as the waiver of pre-emptive rights over new shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 8(a) of the Constitution of the Company.

The initial acquisition was completed on 20 April 2022 and RYRT International became a 70% owned subsidiary of CICC. Upon completion of the 70% acquisition, CGB Group was able to integrate the capabilities and expertise of both CICC and RYRT International to manage the construction projects.

The Proposed Acquisition was expected to generate positive results and may enhance the shareholders' value in the future as the Proposed Acquisition was also expected to enlarge the share capital and net assets of the CGB Group.

Full text of the resolution to approve the Proposed Acquisition was set out in the Notice of EGM dated 4 September 2023.

The Interested Director, Mr. Lee Chee Vui and persons connected to him would abstain from voting on this resolution.

2. QUESTIONS AND ANSWERS (“Q&A”)

Dato' Chairman proceeded with the Q&A session.

There were several questions posted online. The questions and answers were as per Appendix 1 attached. Dato' Chairman adjourned the EGM for poll voting after the Q&A session.

3. POLL RESULTS

The Meeting resumed upon the receipt of the poll results from the Independent Scrutineer. Dato' Chairman read out the voting results duly verified as follows:-

Resolution	Voted For			Voted Against			Abstained		Results
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shares	%	
Proposed Acquisition	115	73,110,790	99.9993	19	517	0.0007	8,468,108	0.0000	Accepted

Based on the above, the Chairman declared the Resolution on the proposed acquisition of the remaining 30% equity interest of RYRT International Sdn. Bhd. **CARRIED**.

4. OUTCOME OF THE MEETING**ORDINARY RESOLUTION**

PROPOSED ACQUISITION BY CIC CONSTRUCTION SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF CENTRAL GLOBAL BERHAD (“CGB”), OF 600,030 ORDINARY SHARES IN RYRT INTERNATIONAL SDN BHD (“RYRT INTERNATIONAL”), EQUIVALENT TO THE REMAINING 30% EQUITY INTEREST IN RYRT INTERNATIONAL FROM RYRT HOLDINGS SDN BHD FOR A PURCHASE CONSIDERATION OF RM13.26 MILLION TO BE WHOLLY SATISFIED VIA ISSUANCE OF 10,200,000 NEW ORDINARY SHARES IN CGB (“CONSIDERATION SHARE(S)”) AT AN ISSUE PRICE OF RM1.30 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION”) AND THE MATERIAL VARIATION TO THE FIRST SPA AND PGA (AS DEFINED HEREIN) AS WELL AS THE WAIVER OF PRE-EMPTIVE RIGHTS OVER NEW SHARES OR OTHER CONVERTIBLE SECURITIES IN CGB UNDER SECTION 85(1) OF THE COMPANIES ACT 2016 READ TOGETHER WITH CLAUSE 8(A) OF THE CONSTITUTION OF CGB

RESOLVED:-

THAT, subject to the approvals of all relevant regulatory authorities and/or third parties being obtained, where required, and the conditions precedent in the conditional sale and purchase agreement dated 31 May 2023 (“SPA”), entered into between CICC, a wholly-owned subsidiary of CGB and RYRT Holdings Sdn Bhd (“**RYRT Holdings**” or “**Vendor**”) for the Proposed Acquisition being fulfilled or waived, approval be and is hereby given to CICC, to acquire 600,030 ordinary shares in RYRT International from the Vendor, representing the remaining 30% equity interest in RYRT International, for a purchase consideration of RM13,260,000 to be wholly satisfied via issuance of 10,200,000 new ordinary shares in CGB (“**Consideration Shares**”) at an issue price of RM1.30 per Consideration Share, subject to the terms and conditions of the SPA and the Supplemental SPA (as defined herein);

THAT approval be and is hereby given to CICC to give effect to the supplemental sale and purchase agreement dated 10 July 2023 (“**Supplemental SPA**”), between CICC, RYRT Holdings, Mr Lee Chee Vui and Mr Soo Yu Chai for the material variation on the terms of the share sale and purchase agreement dated 26 January 2022 which was approved on 30 March 2022 (“**First SPA**”), the terms of the profit guarantee agreement dated 26 January 2023 (“**PGA**”) which was approved on 30 March 2022 and the terms of the SPA. For avoidance of doubt, the material variation are as follows:

- (i) the profit guarantee period of 1 September 2021 to 31 August 2023 will be revised to 1 September 2021 to 31 December 2024, extended for another 16 months period;
- (ii) RYRT Holdings, Mr Lee Chee Vui and Mr Soo Yu Chai (“**Guarantors**”) have agreed to guarantee 100% of a higher profit guarantee amount of RM50.0 million (“**Revised Profit Guarantee Amount**”) and if there is a profit shortfall, the Guarantors shall compensate CICC in cash equivalent to 100% of the aggregate shortfall or deficiency from the Revised Profit Guarantee Amount; and
- (iii) the revised profit guarantee amount for the revised profit guarantee period from 1 September 2021 to 31 December 2024 is RM50.0 million.

THAT approval be and is hereby given to the Board of Directors of CGB (“**Board**”) to allot and issue the Consideration Shares to RYRT Holdings for the purpose of satisfying the purchase consideration for the Proposed Acquisition, subject to the terms and conditions of the SPA and Supplemental SPA;

THAT pursuant to Section 85(1) of the Companies Act 2016 (“**Act**”) read together with Clause 8(a) of the Company’s Constitution, the shareholders of the Company have pre-emptive rights to be offered any new ordinary shares in CGB (“**Share(s)**”) which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act provides as follows:

“85. Pre-emptive rights to new shares

- (1) *Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”*

Clause 8(a) of the Constitution provides as follows:

“8. New Shares to be Offered to Members

- (a) *Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.”*

In order for the Board to issue any new Shares or other convertible securities, such pre-emptive rights must be waived. Please refer to **Section 2.11, Part A** of the Circular for further information.

As such, pursuant to Section 85(1) of the Act read together with Clause 8(a) of the Company's Constitution, the shareholders of the Company hereby approve and waive their pre-emptive rights over all new Consideration Shares to be issued pursuant to the Proposed Acquisition;

THAT the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with the existing ordinary shares in CGB, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of CGB for which the entitlement date of the said distributions precedes the date of allotment and issuance of the Consideration Shares;

THAT the Company hereby ratify and affirm each and every action undertaken by the Board on behalf of the Company to give effect to the First SPA including the allotment and issuance the balance consideration shares of the Company to RYRT Holdings for the purpose of satisfying the purchase consideration as set out in the First SPA;

AND THAT the Board be and is hereby authorised and empowered to take all such steps and enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as they may deem fit, necessary and expedient and/or appropriate, and in the best interest of the Company in order to implement, finalise, complete and give full effect to the Proposed Acquisition and the terms and conditions of the SPA and the Supplemental SPA, with full powers to assent to any conditions, modifications, variations and/or amendments necessary and/or as may be required by any relevant authorities, as the Board deems fit, appropriate and in the best interest of the Company.

5. TERMINATION

Dato' Chairman concluded the Meeting at 11:00 a.m. with a vote of thanks to the Chair.

Confirmed True Record,

DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK
Chairman of the Meeting

APPENDIX I

The questions/inputs/comments from the shareholders/proxies namely, Cheah Yew Boon, Lee Mun Hoe, Goh Chin Yik and Azhar Kamarulzaman duly addressed and attended by the Board members, the advisers and the management are summarized as follows:

Q1) Is there any door gift to shareholders for attending this virtual EGM as a token of appreciation?

A1) There is no door gift for this EGM. The Company has given out RM20.00 Touch & Go e-Voucher to all attendees for attending the virtual annual general meeting of the Company held on 21 June 2023.

Q2) Would the low issue price impact the Company's share price?

A2) We consider this proposed acquisition exercise will provide a positive catalyst for our Group's future earnings. Hence, it will ultimately support our share price positively.

Q3) Would there be any profit guarantee provided for the acquisition?

A3) There is a revised profit guarantee of RM50.0 million from RYRT International Sdn. Bhd. for the revised profit guarantee period from 1 September 2021 to 31 December 2024.

Q4) What is the rationale behind the proposed acquisition of 30% equity interest in RYRT International Sdn. Bhd. How does it align with the Company's overall strategy?

A4) CIC Construction Sdn. Bhd. ("CICC") owns 70% of RYRT International Sdn. Bhd. ("RYRT International"). If CICC is to acquire the remaining 30% equity interest in RYRT International, it will allow our Company to recognise 100% of the financial results from RYRT International and stand to benefit from increasing its profit attributable to the owners of our Company. As mentioned in the long list of rationale set out in the Circular to Shareholders, RYRT International has an outstanding book order of approximately RM204.63 million as of 31 July 2023 and tender book of approximately RM3.85 billion as of 18 August 2023, and also given a profit guarantee of RM50.0 million up to 31 December 2024. This is supplemental to the earlier profit guarantee of RM43.0 million given for the initial 70% acquisition of RYRT International Sdn. Bhd.

Q5) How was the purchase consideration of RM13.26 million determined? Was an independent valuation conducted?

A5) The Company appointed the Independent Valuer, Moore Advisory Sdn. Bhd., to value RYRT International Sdn. Bhd. Based on the 30% equity interest, the valuation derived at RM13.3 million on the higher end of the range.

Q6) What are the expected financial impacts of this acquisition on the Company's earnings and net assets per share in the short term and long term?

A6) Under the Effects of the Proposed Acquisition (Section 6 of the Circular), the impact would be positive. Not only due to the profit guarantee but also the rationale given earlier i.e. order book of approximately RM204.63 million and tender book of RM3.85 billion. Should that tender book materialise, it would be a positive impact on the Company. Furthermore, since the announcement pertaining to the proposed acquisition, the share price of the Company also reacted positively and went up to RM2.00 per share.

Q7) Why is there a material variation to the terms of the previous sale and purchase agreement and profit guarantee agreement? What are the details of these variations?

A7) The variation was due to a delay in delivery of the site water treatment plant by the customer and the council in Sabah. The delay was not due to RYRT International Sdn. Bhd.'s fault but more from the customer and the delivery of the site. As such, there was a material impact on the earnings of RYRT International Sdn. Bhd. Also, when the Company acquired the initial 70% equity interest of RYRT International Sdn. Bhd. and consolidate the accounts into CGB, there were changes in the accounting policy which reduced the earlier recognised profit of RYRT International Sdn. Bhd.

Q8) Can you provide more details on the waiver of pre-emptive rights over the new shares to be issued? How will it affect existing shareholders?

A8) The waiver of pre-emptive rights was due to a certain on-going case at the local court. By issuing the new shares to the vendor in respect of this acquisition, the existing shareholders are waiving the pre-emptive rights on the issuance of new shares on this acquisition.

Q9) How will the Company ensure a smooth integration of RYRT International Sdn. Bhd. into its existing operations?

A9) As CGB currently owns 70% of RYRT International Sdn. Bhd. and since Mr. Lee Chee Vui is also the Executive Director in both companies, it is a natural progression for the remaining 30% to be acquired by CGB. Further, as stated in the Circular to Shareholder, as of 31 December 2022, RYRT International Sdn. Bhd. already contributes 90% of the group profit after tax.