

SYNERGY HOUSE BERHAD
202101025778 (1426078-V)
(Incorporated in Malaysia)

Minutes of the Second Annual General Meeting (“2nd AGM”) of the Company conducted fully virtual through Live Streaming and Online Remote Voting using Remote Participation and Voting (“RPV”) Facilities via TIIH Online Website at <https://tiih.online> from the Broadcast Venue at Tricor Business Centre, Manuka 2, 3 and 5, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (“Broadcast Venue”) on Tuesday, 28 May 2024 at 10.00 a.m.

Present : Mr Mok Juan Chek
(Independent Non-Executive Chairman)
– Others as per attendance list

By Invitation : Mr Tan Eu Tah
Mr Teh Yee Luen
Mr Yong Kim Fui
Ms Yew Yong Ling
Ms Lieu Pei Yee } Directors

In Attendance : Ms Tham Yin Tong Company Secretary

The attendance of shareholders, proxies, corporate representatives and invitees is as per the Summary of Attendance List via RPV.

1. QUORUM

On behalf of the Board of Directors of Synergy House Berhad (“the Company” or “SHB”), Mr Mok Juan Chek (“the Chairman”), the Independent Non-Executive Chairman of the Company, welcomed all present at the meeting.

Upon confirmation of a quorum pursuant to Clause 56 of the Company’s Constitution by the Secretary, the Chairman called the meeting to order at 10.00 a.m.

2. NOTICE OF MEETING

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.

The Chairman informed that the resolutions set out in the Notice of meeting would be voted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman further informed that the Company was required to appoint at least one scrutineer to validate the votes cast at the general meeting and then declared that the scrutineer for the poll was Asia Securities Sdn. Berhad (“AS”).

The Chairman informed that the poll on all resolutions would be conducted after the meeting had deliberated on all the items on the agenda. The meeting was also informed that the voting on the resolutions could be done anytime throughout the meeting until the closure of the voting session.

The Chairman further informed that Ordinary Resolutions 1 to 6 required a simple majority of more than 50% votes from the shareholders and proxies who were present and voting at the meeting.

The Chairman also informed that the Company would address the questions submitted electronically by shareholders or proxies before the meeting and at the meeting via real time submission of typed texts in the query box during the Question-and-Answer (“Q&A”) session. The Company would group the related and similar questions and provide the appropriate responses.

The Chairman informed that the poll would be administered by the Poll Administrator, namely Tricor Investor & Issuing House Services Sdn. Bhd.

The representative from the Poll Administrator was invited to explain the voting procedures through the remote participation and voting facility.

3. PRESENTATION BY MANAGEMENT

The Chairman invited Mr Kenneth Ng Boon Kean (“Mr Kenneth Ng”), the Chief Financial Officer of the Company for the presentation of the financial performance and business operations of the Group for the financial year ended 31 December 2023.

The Chairman thanked Mr Kenneth Ng for his presentation and proceeded with the business of the meeting.

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

The Audited Financial Statements, together with the Reports of the Directors and Auditors of the Company for the financial year ended 31 December 2023, having been circulated to all the shareholders of the Company within the statutory period, were tabled before the meeting for discussion.

It was noted that pursuant to Section 340(1)(a) of the Companies Act 2016, this agenda item did not require the shareholders’ approval.

The Chairman then informed the shareholders or proxies to leave their questions in the query box and the Board would address the questions during the Q&A session later.

5. ORDINARY RESOLUTION 1
RE-ELECTION OF MR TAN EU TAH AS DIRECTOR

The meeting continued to consider the re-election of Mr Tan Eu Tah (“Mr Tan”) as Director of the Company.

The Chairman informed that Mr Tan was retiring from the Board pursuant to Clause 76(3) of the Company’s Constitution and being eligible, had offered himself for re-election. His profile is available on page 5 of the Annual Report.

The Chairman further informed the shareholders or proxies to leave their questions pertaining to Mr Tan’s re-election in the query box and the Board would address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

6. ORDINARY RESOLUTION 2
RE-ELECTION OF MR YONG KIM FUI AS DIRECTOR

The meeting continued to consider the re-election of Mr Yong Kim Fui (“Mr Yong”) as Director of the Company pursuant to Clause 76(3) of the Company’s Constitution.

The Chairman further informed the shareholders or proxies to leave their questions in the query box and the Board will address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

7. ORDINARY RESOLUTION 3
PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

The meeting continued to consider the payment of Directors’ fees.

The Chairman informed the meeting that the Board of Directors had proposed a payment of RM252,000.00 as Directors’ fees for the financial year ending 31 December 2024 to the Directors of the Company.

The Chairman informed the shareholders or proxies to leave their questions in the query box and the Board would address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

8. ORDINARY RESOLUTION 4
PAYMENT OF DIRECTORS’ BENEFITS FOR THE PERIOD FROM 29 MAY 2024 UNTIL THE THIRD ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2025

The meeting continued to consider the payment of Directors’ benefits.

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The Chairman informed that the Board of Directors had proposed the payment of Directors' benefits of up to RM20,000.00 to the Directors of the Company for the period from 29 May 2024 until the Third Annual General Meeting of the Company to be held in 2025.

The Chairman further informed the shareholders or proxies to leave their questions in the query box and the Board would address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

9. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY

The meeting continued to consider the re-appointment of Messrs Crowe Malaysia PLT as Auditors of the Company for the next financial year.

The Chairman informed that Messrs Crowe Malaysia PLT had indicated their willingness to continue in office.

The Chairman further informed the shareholders or proxies to leave their questions in the query box and the Board would address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

10. ORDINARY RESOLUTION 7 (SPECIAL BUSINESS)
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The meeting continued to consider the special business in respect of the proposed authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("Authority to Issue Shares").

The Chairman informed that the full text of proposed resolution was set out in the notice of meeting and the same was taken as read.

The Chairman further informed the meeting that the passing of the proposed resolution pertaining to the Authority to Issue Shares would provide flexibility to the Company to issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company without having to convene a general meeting. The authority shall, unless be revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

The Chairman informed the shareholders or proxies to leave their questions in the query box and the Board would address the questions during the Q&A session later.

Thereafter, the Chairman put the motion to a vote by poll at the end of the meeting.

12. QUESTIONS & ANSWERS SESSION

The Chairman proceeded to the Q&A session.

The meeting went through the questions that were submitted before the meeting and those that were posed during the meeting.

After the questions from the shareholders had been satisfactorily answered by Mr Kenneth Ng, the Chairman concluded the Q&A session.

13. VOTING SESSION AND ANNOUNCEMENT OF POLL RESULTS

After dealing with all the items on the Agenda, the meeting proceeded to poll voting.

The meeting was adjourned for 20 minutes for the counting and verification of the poll results.

Upon completion of the verification of the votes, the Chairman called the meeting to order and announced the poll results as follows:-

ORDINARY RESOLUTION 1 – RE-ELECTION OF MR TAN EU TAH AS DIRECTOR

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
387,324,002	95.9184	300	4.0816	387,324,302	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 1

“**RESOLVED** THAT Mr Tan Eu Tah, retiring pursuant to Clause 76(3) of the Company’s Constitution and who being eligible, be re-elected as Director of the Company.”

ORDINARY RESOLUTION 2 – RE-ELECTION OF MR YONG KIM FUI AS DIRECTOR

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
387,324,102	96.0000	300	4.0000	387,324,402	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 2

“**RESOLVED** THAT Mr Yong Kim Fui, retiring pursuant to Clause 76(3) of the Company’s Constitution and who being eligible, be re-elected as Director of the Company.”

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ORDINARY RESOLUTION 3 – PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
387,121,002	91.8367	500	8.1633	387,121,502	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 3

“**RESOLVED** THAT the payment of Directors’ fees of RM252,000.00 for the financial year ending 31 December 2024 be approved.”

ORDINARY RESOLUTION 4 – PAYMENT OF DIRECTORS’ BENEFITS FOR THE PERIOD FROM 29 MAY 2024 UNTIL THE THIRD ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2025

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
15,236,002	93.6170	400	6.3830	15,236,402	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 4

“**RESOLVED** THAT the payment of Directors’ benefits of up to RM20,000.00 for the period from 29 May 2024 until the Third Annual General Meeting of the Company be approved.”

ORDINARY RESOLUTION 5 – RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
387,324,102	96.0000	300	4.0000	387,324,402	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 5

“**RESOLVED** THAT Messrs Crowe Malaysia PLT be hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting.”

ORDINARY RESOLUTION 6 – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>Vote Against</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
387,322,102	94.0000	2,300	6.0000	387,324,402	100.0000

Based on the poll result, the Chairman declared the following motion carried:-

Ordinary Resolution 6

“RESOLVED THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting.”

14. CLOSURE

There being no further business, the meeting closed at 11.10 a.m. with a vote of thanks to the Chair.

Dated:

SIGNED AS A CORRECT RECORD

CHAIRMAN OF THE MEETING

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NOTES IN RESPECT OF THE QUESTION-AND-ANSWER (“Q&A”) SESSION AT THE SECOND ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED FULLY VIRTUAL THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING USING REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) FROM THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, MANUKA 2, 3 AND 5, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR (“BROADCAST VENUE”) ON TUESDAY, 28 MAY 2024 AT 10.00 A.M.

Shareholder	Q1: What are the growth plans and directions of Synergy House Berhad (“SHB” or “the Company”) Group?
Kenneth Ng	A1: SHB group’s direction is definitely to grow the Business-to-Consumer (“B2C”) market segment due to the high potential it possesses. This is evident by the B2C growth as shown in the past, from only contributing of approximately 4% of the Group’s total revenue in 2020 to 45% of the group’s total revenue for the financial year (“FY”) ended 31 December 2023. Meanwhile, the Business-to-Business (“B2B”) market segment, the Group will maintain its customer base but we will not be aggressively growing this segment due to its limitations. In order for the group to grow the B2C market segment, the Group’s action plan is to open up more platforms in different selected countries, which targets higher purchasing power and a larger population. The Group is targeting entering the France market this year, having been present in the markets of the United States, Canada, Germany as well as the United Kingdom. The Group is also improving the SKU offerings and offering new product categories such as bedroom and bathroom vanity and other home improvement items. The Group believes that by having more SKU offerings in the market may capture a bigger market share for the Group. Apart from that, the Group is also looking to increase the utilisation of technology as well as Artificial Intelligence (“AI”) in all key operation functions within the Group, namely marketing, advertisements and so on.
Shareholder	Q2: Please explain why the trade receivables balances increased in FY2023 as compared to FY2022?
Kenneth Ng	A2: The balance of the trade receivables have increased by approximately RM15 million in 2022 to RM63 million in 2023 due to higher B2B and B2C sales towards the end of FY2023 as compared with the previous financial year.

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The higher B2C sales towards the end of the financial year as well as extension of credit term for certain B2C platforms in FY2023, which was undertaken to reduce certain percentage deduction placed by the platform if the group received the collections earlier, resulted in higher trade receivables balances on FY2023.

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|-------------|-----|--|
| Shareholder | Q3: | How does the Company incorporate its design and development capabilities to differentiate itself against others? |
| Kenneth Ng | A3: | There are various examples of how the Group uses its designs and development technology to create differentiation. The Group is able to design methods of creating furniture which are easier to assemble for people who find difficulty in assembling furniture. The Group is able to create methods that could assemble furniture faster in a shorter period of time. Further, the Group is also able to work out cost-effective ways of implementing standard requirements for products to make them more competitive. Synergy is about combining art and engineering to bring out the best customer satisfaction which is a key in the B2C business segment. Art is about bringing expensive-looking designs to affordable prices, while engineering is about constantly improving technicalities as well as solving and easing customers' problem relating to furniture such as ease of assembly and strong and safe structure. |
| Shareholder | Q4: | What is the dividend plan or policy of the Group? |
| Kenneth Ng | A4: | There is currently no fixed dividend policy. However, the Group paid a total dividend of RM8 million which is approximately 30% of the Group's Profit After Tax for FY2023. The Board will determine the dividend payments based on cash requirements as well as financial results, amongst others. |
| Shareholder | Q5: | What is the vendor's name that Synergy is using in Wayfair US? As I cannot find Synergy in the platform. |
| Kenneth Ng | A5: | For the information of the shareholders, when Synergy House sells through Wayfair US, we actually use the house brand of Wayfair instead of Synergy's brand. By doing so, we have better benefits such as increased visibility as well as better advertisement chances. |

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- Shareholder Q6: The European market has a few furniture startup brands that use the same asset light model but with a larger marketing budget. For example, XXXLutz has both offline and online presence. They also have local language and cultural advantage. How do you plan to compete on that? Given that each country itself is differentiated by its own language barrier too.
- Kenneth Ng A6: Synergy's strategy is always introduce designs that suits the local requirements. For example, when the Group expanded to the US market, the Group actually offered designs that suits the US market and when expanded into Europe, the Group designed according to the local requirements. In terms of this question for the European market, Synergy has been in the B2B business segment of the UK market for over 20 years and have started the B2C business segment in late 2022. Hence, the Group has accumulated experience in the UK market through years of experience. Apart from that, the Group is specific in terms of target market which the Group want to move into, which is the affordable Ready-to-assemble home furniture. In the furniture market, there are various market segments in different categories of products and price points. Hence, this showed that the market is very wide and that we were able to target a specific market that the Group wishes to move into. In terms on how to compete, the Group have been utilising more technology, AI and market intelligence software to learn how to penetrate into a certain market, to look at current market trends, pricing points and so on, which are able to aid the Group in terms of offering new products to the targeted market.