

**QIAN HU CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore)

Minutes of the Third Annual General Meeting of the Company held at No. 71 Jalan Lekar, Singapore 698950 on Thursday, 18 April 2002 at 11.00 a.m.

Present: Refer to attendance sheet

The Chairman of the Board of Directors, Mr Yap Kim Lee Kenny chaired the meeting. Having noted that a quorum was present, the meeting was called to order. The notice convening the meeting was taken as read.

**ORDINARY BUSINESS**

**1. Adoption of Reports and Financial Statements**

Mr Ang Hao Yao referred to the increase of trade debtors of 29% to S\$8.8 million which was about half the net worth of the company and asked about the collection cycle for these debts and the provision policy in relation thereto.

The Chairman explained that the increase in sales in the 4th quarter of FY2001 due mainly to festive season had caused an increase in trade debtors. Noting that the Company's credit term was 120 days the meeting was informed that the increase in the trade debtors was a timing issue. The Chairman further explained that appropriate review procedure had been taken before granting credit limits and credit terms to the customers as such the Group did not foresee any problem in collection. As for provision policy, the Chairman explained that a 10% general provision would be made on receivables which were outstanding for more than 120 days.

On the proposal of Ms Yap Saw Chin and seconded by Ms Yap Ai Tin, it was resolved that the Audited Accounts for the financial year ended 31 December 2001 and the Reports of the Directors and Auditors thereon be and are hereby received and adopted.

**2. Declaration of First and Final Dividend**

In response to Mr Ang's query whether there was a dividend policy in place, the Chairman explained that having being listed for just over one year, cash was needed for expansion of the Group business. However, the Group still insisted on paying dividend to shareholders who had shown their support and faith to the Group despite not having a dividend policy in place.

On the proposal of the Chairman and seconded by Ms Lai Chin Yee it was resolved that a first and final dividend of 6% per share less 24.5% Singapore income tax for the financial year ended 31 December 2001 be paid on 10 May 2002 to members registered in the books of the Company on 29 April 2002.

**3. Re-election of Director**

On the proposal of Ms Li Siau Choi and seconded by Ms Pae Bee Yong, it was resolved that Mr Yap Ah Seng Alvin be and is hereby re-elected as a Director of the Company.

#### 4. Approval of Directors' Fees

On the subject of directors' fees, the Chairman informed that the board of directors believed in adding value to the Group's business. The independent directors received nominal director's fees. As for director's fee for the executive directors, despite being recommended by the Audit Committee that each executive director should receive a fee, the executive directors had agreed not to receive directors' fees within the first three years of the listing of the Company until the Group had reached certain standard in its performance.

On the proposal of Ms Yap Saw Chin and seconded by Ms Yap Ai Tin, it was resolved that the payment of Directors' fees of \$20,000/- for the financial year ended 31 December 2001 be and is hereby approved.

#### 5. Re-appointment of Auditors

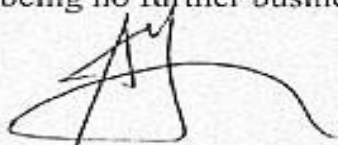
On the proposal of Ms Lai Chin Yee and seconded by Ms Pae Bee Yong, it was resolved that Arthur Andersen be and are hereby re-appointed Auditors of the Company at a fee to be fixed by the Directors.

### SPECIAL BUSINESS

#### 6. Mandate to Authorise the Directors to Issue Shares

On the proposal of Ms Li Siau Choi and seconded by Ms Pae Bee Yong, it was resolved that pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors be empowered to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company for the time being, of which the aggregate number of such shares to be allotted and issued other than on a pro-rata basis to all shareholders shall not exceed 20% of the issued share capital of the Company for the time being, and that, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

There being no further business, the meeting ended at 11.30 a.m.



YAP KIM LEE KENNY  
Chairman