

EKSONS CORPORATION BERHAD
[Registration No. 199001014145 (205814-V)]
(Incorporated in Malaysia)

MINUTES OF THE THIRTY-SECOND ANNUAL GENERAL MEETING ("**32ND AGM**") OF EKSONS CORPORATION BERHAD ("**EKSONS**" OR "**THE COMPANY**") HELD AT LA HOTEL, JALAN ST. PATRICK (OFF JALAN BELUNU), 91033 TAWAU, SABAH ON THURSDAY, 22 SEPTEMBER 2022 AT 3:00 P.M.

DIRECTORS PRESENT : Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain
Dato' Philip Chan Hon Keong
Encik Nik A. Majid Bin Mohd. Kamil
Ms. Hew Mei Ying (Elaine)

ABSENT WITH APOLOGIES : Tay Hua Sin

MEMBERS : As per Attendance List

PROXYHOLDERS : As per Attendance List

BY INVITATION : As per Attendance List

IN ATTENDANCE : Mr. Lim Lih Chau (*Company Secretary*)

CHAIRMAN

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain ("**Tan Sri Chairman**") presided as Chairman. Tan Sri Chairman welcomed all present to the 32nd AGM of the Company and called the Meeting to order at 3:00 p.m.

Tan Sri Chairman then introduced the Directors and the Company Secretary who were in attendance to the floor. Tan Sri Chairman extended the apologies from Mr. Tay Hua Sin, who was not able to attend the 32nd AGM.

QUORUM

The requisite quorum being present pursuant to Clause 21.2 of the Company's Constitution, Tan Sri Chairman declared the Meeting duly convened.

PROCEEDINGS

Tan Sri Chairman informed all present that only members whose names appeared in the Record of Depositors on 15 September 2022 were eligible to attend the Meeting.

Tan Sri Chairman informed that the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") had made it mandatory for poll voting for any resolution set out in the notice of general meeting. Hence, all the resolutions as set out in the Notice of the 32nd AGM would be voted by poll.

Tan Sri Chairman thereafter exercised his rights as the Chairman of the Meeting pursuant to Section 330 of the Companies Act 2016, demanded that a poll be conducted for the resolutions which were put forth for voting at the Meeting to demonstrate shareholder democracy of one-share one-vote.

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The Meeting noted that Messrs. Shim Pang & Co was appointed as the Independent Scrutineers to verify the poll results.

Tan Sri Chairman then invited the Company Secretary to give an overview of the process of poll voting.

Mr. Lim Lih Chau ("**Mr. Lim**"), the Company Secretary briefed all present on the proceedings of the Meeting.

Tan Sri Chairman briefed the Meeting that there was no legal requirement for a proposed resolution to be seconded and informed that the voting process for all the resolutions set out in the Notice of the Meeting would be carried out after the discussion of all agenda items of the Meeting.

NOTICE OF MEETING

The Notice convening the Meeting dated 29 July 2022 having been circulated within the prescribed period, with the permission of the Meeting, was taken as read.

LETTER FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

Prior to the deliberation of the items in the Agenda of the 32nd Annual General Meeting, Tan Sri Chairman informed the Meeting that the Company had received a letter from MSWG dated 2 September 2022 requesting the Company to respond to the questions raised by the MSWG at the Meeting. At this juncture, Tan Sri Chairman invited Dato' Philip Chan Hon Keong ("**Dato' Philip**"), the Group Managing Director of the Company to present and respond the questions raised from MSWG.

Dato' Philip thanked Tan Sri Chairman and presented the queries and responses to the Meeting ("**Responses**"). The details of which are annexed hereto as "**Annexure A**".

Encik Norhisam Bin Sidek ("**Encik Norhisam**"), the representative of MSWG, thanked the Board and the Management on the responses. The Management noted the suggestion from Encik Norhisam on the presentation of the business highlights and the prospects of the Company in the upcoming meeting.

The Meeting noted that a formal reply to the letter from the MSWG would be sent to MSWG after the Meeting.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

Tan Sri Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2022 ("**AFS 2022**") together with the reports of the Directors and the Auditors thereon.

The Meeting noted that the Directors' Report and Audited Financial Statements were available in the Company's 2022 Annual Report, which

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has been submitted to Bursa Securities and uploaded onto the Company's corporate website on 29 July 2022.

As there were no questions raised from the shareholders and in view that the first item on the Agenda was only meant for discussion pursuant to Section 340(1)(a) of the Companies Act 2016 and shall not be put forward for voting, Tan Sri Chairman declared that the AFS 2022 together with the Reports of the Directors and Auditors thereon, be received.

2.0 APPROVAL OF THE PAYMENT OF DIRECTORS' FEES PAYABLE TO THE DIRECTORS OF THE COMPANY AMOUNTING TO RM325,320/- IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2022

Tan Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' fees payable to the Directors of the Company amounting to RM325,320/- (*Ringgit Malaysia: Three Hundred and Twenty-Five Thousand Three Hundred and Twenty*) only in respect of the financial year ended 31 March 2022.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

3.0 APPROVAL OF THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM27,000/- FROM THE CONCLUSION OF THE AGM UNTIL THE NEXT AGM OF THE COMPANY

Tan Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits payable up to an amount of RM27,000/- from the conclusion of the AGM until the next AGM of the Company.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

4.0 RE-ELECTION OF TAN SRI DATUK AMAR (DR) HAJI ABDUL AZIZ BIN DATO HAJI HUSAIN WHO RETIRING IN ACCORDANCE TO CLAUSE 23.3 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION

Tan Sri Chairman informed the Meeting that the next item on the Agenda was to re-elect himself who was retiring pursuant to Clause 23.3 of the Company's Constitution. The Meeting noted that Tan Sri Chairman, being eligible for re-election, has offered himself for re-election.

Tan Sri Chairman passed the chairmanship to Dato' Philip to chair the proceedings for this segment of the Agenda.

Dato' Philip took over the chairmanship from Tan Sri Chairman and informed that the next item on the Agenda was to re-elect Tan Sri Chairman who was retiring pursuant to Clause 23.3 of the Company's Constitution.

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There being no questions raised, the Meeting proceeded to the next item on the Agenda.

Dato' Philip thereafter handed over the chairmanship to Tan Sri Chairman.

5.0 RE-ELECTION OF HEW MEI YING WHO RETIRING IN ACCORDANCE TO CLAUSE 23.12 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HERSELF FOR RE-ELECTION

Tan Sri Chairman informed the Meeting that the next item on the Agenda was to re-elect Hew Mei Ying who was retiring pursuant to Clause 23.12 of the Company's Constitution, and being eligible for re-election, has offered herself for re-election.

There being no question from the floor, Tan Sri Chairman proceeded to the next item on the Agenda.

6.0 RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

Tan Sri Chairman informed that the next item on the Agenda was to re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Crowe Malaysia PLT had expressed their willingness to continue in office as Auditors of the Company.

The Meeting noted that the Audit Committee and the Board of Directors had reviewed Crowe Malaysia PLT's performance as Auditors of the Company for the past financial year and were satisfied with their effectiveness and performance as External Auditors of the Company.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

SPECIAL BUSINESS

7.0 ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

Tan Sri Chairman informed that the next Agenda was a special business to approve the Ordinary Resolution in respect of the Authority to issue shares pursuant to the Companies Act 2016.

The Meeting was informed that this general mandate would provide flexibility to the Board of Directors to issue and allot shares of up to ten per centum (10%) of the share capital of the Company at any time, without convening a general meeting for any possible fund-raising activities and placement of shares. If approved, this authority would be

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valid, unless earlier revoked or varied by the shareholders of the Company in a general meeting, until the next AGM.

The proposed adoption of this resolution is to enable the Directors of the Company to issue and allot new ordinary shares, not exceeding at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost consuming to organise a general meeting merely for such purposes.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

8.0 ORDINARY RESOLUTION
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Tan Sri Chairman informed that the next item on the Agenda was to approve the Proposed Renewal of Existing Shareholders' Mandate for Existing Related Party Transactions of a Revenue or Trading Nature ("**RRPT**").

The proposed adoption of this Ordinary Resolution would allow the Company and its subsidiaries to enter into RRPT with the related parties as specified in the Circular to Shareholders dated 29 July 2022.

The proposed resolution will allow EKSONS Group, in the normal course of its business, to enter into RRPT with the Related Parties from time to time, provided that such transactions are made at arm's length basis, on the Company's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

All interested Directors, Major Shareholders and persons connected to them have abstained and will continue to abstain from all deliberations and voting in respect of this Ordinary Resolution. All the interested parties have undertaken to ensure that the persons connected to them will abstain from voting on this Ordinary Resolution.

There being no questions from the floor, Tan Sri Chairman proceeded to the next item on the Agenda.

9.0 ORDINARY RESOLUTION
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

Tan Sri Chairman informed that the next item on the Agenda was to seek shareholders' approval on the Proposed Renewal of Share Buy-Back Authority.

The proposed adoption of this Ordinary Resolution would allow the Board of Directors to exercise the power of the Company to purchase not more

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than 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated provided that the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company.

There being no questions from the floor, Tan Sri Chairman proceeded to the next item on the Agenda.

10.0 ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at the Meeting of which due notice had been given.

POLLING PROCESS

There being no further questions received, Tan Sri Chairman declared that the registration for attendance at the Meeting be closed at 3:35 p.m. to facilitate the conduct of a poll. The Meeting was briefed on the procedure on the conduct of a poll.

The Meeting was adjourned at 3:35 p.m. for shareholders and proxyholders to cast their votes by poll.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 3:55 p.m. The results of the poll were duly verified by the Independent Scrutineer, Messrs. Shim Pang & Co.

Mr. Lim, the Company Secretary announced the results of the poll voting were as follows:-

Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
<u>Resolution 1</u> To approve the payment of Directors' fees payable to the Directors of the Company amounting to RM325,320/- in respect of the financial year ended 31 March 2022	97,836,232	100.00	0	0.00
<u>Resolution 2</u> To approve the payment of Directors' benefit payable up to an amount of RM27,000/- from the conclusion of the AGM until the next AGM of the Company	97,836,232	100.00	0	0.00

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Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
<u>Resolution 3</u> To re-elect Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain who is retiring in accordance with Clause 23.3 of the Company's Constitution	78,378,849	100.00	0	0.00
<u>Resolution 4</u> To re-elect Hew Mei Ying who is retiring in accordance with Clause 23.12 of the Company's Constitution	97,836,232	100.00	0	0.00
<u>Resolution 5</u> To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration	97,836,232	100.00	0	0.00
<u>Resolution 6</u> Authority to issue shares pursuant to the Companies Act 2016	97,836,131	100.00	0	0.00
<u>Resolution 7</u> Proposed renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature	97,836,232	100.00	0	0.00
<u>Resolution 8</u> Proposed Renewal of Share Buy-Back Authority	95,174,377	100.00	0	0.00

Based on the results of the poll voting, Tan Sri Chairman declared the following resolutions be **CARRIED:-**

RESOLUTION 1

"That the payment of Directors' fees amounting to RM325,320/- in respect of the Financial Year Ended 31 March 2022 be and is hereby approved."

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RESOLUTION 2

"That the payment of Directors' benefit payable up to an amount of RM27,000/- from the conclusion of the AGM until the next AGM of the Company be and is hereby approved."

RESOLUTION 3

"That Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain who retired in accordance to Clause 23.3 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 4

"That Hew Mei Ying who retired in accordance with Clause 23.12 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 5

"That the retiring Auditors, Crowe Malaysia PLT be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be given for the Directors to fix their remuneration."

RESOLUTION 6

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Securities and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;*

***THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;*

***AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."*

RESOLUTION 7

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

*"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the renewal of the existing shareholders' mandate for the Company and/or its subsidiaries ("**EKSONS Group**") to enter into recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.5 of the Circular to Shareholders dated*

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29 July 2022 which are necessary for the day-to-day operations of the Eksons Group, to be entered by the EKSONS Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until the earlier of: -

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to this resolution."

RESOLUTION 8

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT, subject to the Act, the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) to cancel all the shares so purchased; and/or
- (ii) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities

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and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or

- (iii) to retain part thereof as treasury shares and cancel the remainder; or*
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.*

THAT *such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -*

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or*
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or*
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;*

whichever occurs first.

AND THAT *the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."*

CONCLUSION

Tan Sri Chairman concluded the Meeting at 3:58 p.m. and thanked all present for their attendance.

Dated: 22 September 2022

The details of the queries raised by the MSWG and the corresponding reply by the Company were as follows:-

Operational & Financial Matters

1. Financial Performance

YEAR ENDED 31 MARCH	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Results (RM' million)	(21.53)	(13.24)	(36.24)	4.77	(14.62)
Profit/(loss) after tax					

In FY2022, the Group recorded a loss after tax (LAT) of RM14.62 million compared to a profit after tax of RM4.77 million in FY2021. FY2022's LAT was slightly higher than the RM13.24 million losses recorded in FY2019 before the Covid-19 pandemic.

(a) How does the Board plan to address the Group's bottom-line performance?

Response:

- i. **The plywood division suffered a segment loss of RM1,807,867, depreciation of RM 5,810,323 and other non-cash expenses (including impairment) of RM 3,950,343 for the year. The plywood division has over the years faced a very challenging environment with inconsistent supply of logs, manpower shortages and volatile demand. In addition to the challenging operating environment, the plywood division struggles with having to comply with the increasing Environmental, Social and Governance requirements of the investing public. The Group suspended the production of plywood in Sibu on 31 March 2016 due to inability to secure steady supply of logs. The plywood factory in Tawau is currently able to procure a reasonable supply of logs but as a result of the Covid restrictions, the plywood operations face manpower constraints. Under the circumstances, the Group is constantly monitoring the supply situation, costs, revenue and continued operations of the plywood division.**
- ii. **The other major contributor to the loss of the year was the loss suffered in investing activities. The Group suffered a segment loss of RM 2,014,241 and other non-cash expenses (including unrealised loss) of RM8,618,911 from the investments managed by Credit Suisse and EFG. The losses were suffered as a result of the global markets recalibration resulting from the rising inflationary environment and also the Russia- Ukraine war. Be that as it may, the Group is constantly looking to redeploy its excess cash in more stable investments.**
- iii. **In relation to the property division, various sales and marketing activities have been conducted for both our commercial project The Atmosphere and residential project Affiniti. These activities include outreach to branded retail operators to lease, attractive sales and leasing packages and participation in exhibitions.**
- iv. **The Group is constantly exploring avenues of increasing revenue and will be monetizing the 955 parking bays located at The Atmosphere**

in view of the impending opening of the Putra Permai station on the Putrajaya MRT line.

(b) What is the prospect of achieving a better bottom-line result in FY2023?

Response:

There are predictions of a slowdown in the United States of America, the United Kingdom and Europe as a result of central banks increasing interest rates to contain inflation. There are also reports of a slowdown in China's economy. The Group is closely monitoring its costs and is mindful of the need to increase revenue. Given the headwinds that the country and Group face, we are unable to predict any significant improvement in the financial performance of the Group.

2. The Group's other expenses increased significantly to RM18,836,590 from RM9,937,303 in FY2021 (Page 51 of the Annual Report 2022). What are the reasons for the significant increase in other expenses? Please provide the breakdown of these expenses.

Response:

The increase in other expenses are due to the following:-

- i. Impairment loss on property, plant and equipment of RM3.8 mil**
- ii. Loss on investment securities – unrealised of RM8.6 mil**
- iii. Loss on investment securities – realised of RM3.4 mil**

3. Plywood Operations Division

(a) The Division delivered an improved performance in FY2022, recording a loss of RM1,807,867 compared to a loss of RM8,590,640 in FY2021 (Page 107 & 109 of the Annual Report 2022). Considering the improved performance in FY2022, what is the prospect of the Division recording a profit in FY2023?

Response:

The question was addressed under Reply 1(a)(i).

(b) What is the current and previous year's capacity utilisation rate for the Division's sawmills?

Response:

The current capacity utilisation rate remains at below 20%, the same as for previous financial year.

4. Property and Investment Holdings Division

(a) What are the reasons for zero external sales from the Division in FY2022 (FY2021: External sales of RM54,000) (Pages 107-108 of the Annual Report 2022)? What is the outlook for the Division's external sales in FY2023?

Response:

The RM54,000 was rental income received by one subsidiary. Due to MCO, the tenant had terminated the tenancy and we are now in the midst of sourcing for a new tenant.

- (b) The Division delivered an improved performance in FY2022, recording a loss of RM2,014,241 compared to a loss of RM7,673,369 in FY2021 (Page 107 & 109 of the Annual Report 2022). Considering the improved performance in FY2022, what is the prospect of the Division recording a profit in FY2023?

Response:

The question was addressed under Reply 1(a)(ii).

5. Property Development Division

What are the current sales, take-up rates, and targeted sales in FY2023 for the Affiniti Residence project and the commercial units at The Atmosphere?

Response:

The sale and leasing for our Affiniti Residence project and commercial units at The Atmosphere have been encouraging with Affiniti Residence units to be largely sold by FY2023 while properties at The Atmosphere have been gaining much traction with the impending opening of the Putra Permai MRT station.

6. Corporate Governance & Sustainability Matters

The Company did not disclose the costs incurred for the internal audit function in its Annual Report 2022. This is in breach of Paragraph 30, Appendix 9C (Contents of annual report) of Bursa Securities Main Market Listing Requirements ("MMLR"), which requires listed issuers to disclose the costs incurred for the internal audit function in respect of the financial year.

- (a) Please ensure that the Company complies with the MMLR.

Response:

We thank you for bringing the matter to our attention and have taken note of the requirement for our future reporting.

- (b) What is the total cost incurred for the internal audit function in FY2022?

Response:

The total cost incurred for the internal audit function in FY2022 was at RM60,000.

7. As a plywood producer, Eksons naturally has a particular responsibility to contribute to the plywood industry's combined efforts to limit environmental deterioration (Page 13 of the Annual Report 2022).

What are the commitments Eksons plans to meet in this area in the next two financial years?

Response:

- i. Ensure strict compliance with the environmental laws for plant operations and maintenance in areas relating to environmental standards, emission standards, noise level management and treatment of plant effluents and waste water.**
- ii. Sourcing of logs from areas approved by the authorities.**
- iii. Use of mill's waste wood chip as feedstock, replacing diesel powered generators to reduce effects of methane emission and harmful by products of fossil fuel to the environment.**