

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

MINUTES OF THE THIRTY-THIRD ANNUAL GENERAL MEETING (“**33RD AGM**”) OF EKSONS CORPORATION BERHAD (“**EKSONS**” OR “**THE COMPANY**”) HELD AT LA HOTEL, JALAN ST. PATRICK (OFF JALAN BELUNU), 91033 TAWAU, SABAH ON THURSDAY, 21 SEPTEMBER 2023 AT 2:00 P.M.

---

<b>DIRECTORS PRESENT</b>	:	Dato’ Philip Chan Hon Keong Encik Nik A. Majid Bin Mohd. Kamil Ms. Hew Mei Ying (Elaine)
<b>ABSENT APOLOGIES</b>	<b>WITH</b> :	Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain Mr. Tay Hua Sin
<b>MEMBERS</b>	:	As per Attendance List
<b>PROXYHOLDERS</b>	:	As per Attendance List
<b>BY INVITATION</b>	:	As per Attendance List
<b>IN ATTENDANCE</b>	:	Mr. Lim Lih Chau ( <i>Company Secretary</i> )

**CHAIRMAN**

Encik Nik A. Majid Bin Mohd. Kamil (“**Encik Nik**”), the Independent Non-Executive Director of the Company, welcomed all present to the Meeting and thanked all for their participation of the Meeting. Encik Nik informed that Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain, the Non-Independent Non-Executive Director of the Company, was unable to participate in the Meeting and extended Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain’s apologies to all present at the Meeting. In this regard, pursuant to Clause 21.4 of the Company’s Constitution, Encik Nik informed that in the absence of the Board Chairman, the Directors present had chosen him to act as the Chairman of the Meeting.

Encik Nik, the Chairman of the Meeting, then introduced the Directors and the Company Secretary who were in attendance to the floor. The Chairman then extended the apologies from Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain and Mr. Tay Hua Sin, who were not able to attend the 33rd AGM.

**QUORUM**

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

**PROCEEDINGS**

The Chairman informed all present that only members whose names appeared in the Record of Depositors on 14 September 2023 were eligible to attend the Meeting.

The 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 33rd AGM would be voted by poll.

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

The 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.

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

The 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.

The 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 27 July 2023 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 33rd Annual General Meeting, Chairman informed the Meeting that the Company had received a letter from MSWG dated 11 September 2023 requesting the Company to respond to the questions raised by the MSWG at the Meeting. At this juncture, the 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 the Chairman and presented the queries and responses to the Meeting ("**Responses**"). The details of which are annexed hereto as "**Annexure A**".

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 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

The Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2023 ("**AFS 2023**") 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 2023 Annual Report, which

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

has been submitted to Bursa Securities and uploaded onto the Company's corporate website on 27 July 2023.

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, the Chairman declared that the AFS 2023 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 RM301,460/- IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2023**

The 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 RM301,460/- (*Ringgit Malaysia: Three Hundred One Thousand Four Hundred and Sixty*) only in respect of the financial year ended 31 March 2023.

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 RM18,000/- FROM THE CONCLUSION OF THE AGM UNTIL THE NEXT AGM OF THE COMPANY**

The Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits payable up to an amount of RM18,000/- (*Ringgit Malaysia: Eighteen Thousand*) 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 MR. TAY HUA SIN WHO RETIRING IN ACCORDANCE TO CLAUSE 23.3 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION**

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

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

**5.0 RE-ELECTION OF ENCIK NIK A. MAJID BIN MOHD. KAMIL WHO RETIRING IN ACCORDANCE TO CLAUSE 23.3 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION**

The Chairman informed the Meeting that the next item on the Agenda was to re-elect himself as a Director of the Company who was retiring pursuant

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

to Clause 23.3 of the Company's Constitution, for good corporate governance, the Chairman passed the chairmanship to Dato' Philip to chair the proceedings for this segment of the Agenda.

Dato' Philip took over the chairmanship of the Meeting and informed that the next item on the Agenda was to re-elect Encik Nik who was retiring pursuant to Clause 23.3 of the Company's Constitution. The Meeting noted that Encik Nik, being eligible for re-election, has offered himself for re-election.

There being no question from the floor, Dato' Philip thereafter handed back the chairmanship to Encik Nik, the 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**

---

The 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**

---

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

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**

---

The 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 27 July 2023.

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, the 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")**

---

The 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 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

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

purpose of purchasing its own shares shall not exceed the total retained profits of the Company.

There being no questions from the floor, the 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, the Chairman declared that the registration for attendance at the Meeting be closed at 2:30 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 2:30 p.m. for shareholders and proxyholders to cast their votes by poll.

**ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed at 2:33 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:-

<b>Resolutions</b>	<b>Voted for</b>		<b>Voted against</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
<b><u>Resolution 1</u></b>  To approve the payment of Directors' fees payable to the Directors of the Company amounting to RM301,460/- in respect of the financial year ended 31 March 2023	99,141,528	100.00	0	0.00
<b><u>Resolution 2</u></b>  To approve the payment of Directors' benefit payable up to an amount of RM18,000/- from the conclusion of the AGM until the next AGM of the Company	99,141,528	100.00	0	0.00
<b><u>Resolution 3</u></b>  To re-elect Mr. Tay Hua Sin who is retiring in accordance with Clause 23.3 of the Company's Constitution	23,727,635	100.00	0	0.00

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
<b><u>Resolution 4</u></b> To re-elect Encik Nik A. Majid Bin Mohd. Kamil who is retiring in accordance with Clause 23.3 of the Company's Constitution	99,141,528	100.00	0	0.00
<b><u>Resolution 5</u></b> 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	99,141,528	100.00	0	0.00
<b><u>Resolution 6</u></b> Authority to issue shares pursuant to the Companies Act 2016	99,141,528	100.00	0	0.00
<b><u>Resolution 7</u></b> Proposed renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature	96,428,618	100.00	0	0.00
<b><u>Resolution 8</u></b> Proposed Renewal of Share Buy-Back Authority	99,141,528	100.00	0	0.00

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

**RESOLUTION 1**

*"That the payment of Directors' fees amounting to RM301,460/- in respect of the Financial Year Ended 31 March 2023 be and is hereby approved."*

**RESOLUTION 2**

*"That the payment of Directors' benefit payable up to an amount of RM18,000/- from the conclusion of the AGM until the next AGM of the Company be and is hereby approved."*

**RESOLUTION 3**

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

*"That Mr. Tay Hua Sin 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 Encik Nik A. Majid Bin Mohd. Kamil who retired in accordance with Clause 23.3 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** pursuant to Section 85 of the Act to be read together with Clause 8.1 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to this mandate;*

***AND FURTHER 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."*



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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

**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 27 July 2023 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*

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

*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 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."

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

(Minutes of the 33rd AGM held on 21 September 2023 - cont'd)

**CONCLUSION**

Chairman concluded the Meeting at 2:35 p.m. and thanked all present for their attendance.

Dated: 21 September 2023

The details of the queries raised by the Minority Shareholders Watch Group (“MSWG”) and the corresponding reply by the Company were as follows:-

**Operational & Financial Matters**

1. Financial Performance

Question 1: Financial Performance

	<b>FYE 2023 (RM)</b>	<b>FYE 2022 (RM)</b>	<b>Increase/(Decrease) (RM)</b>
Revenue	57,300,890	90,972,585	(33,671,695)
Gross Profit	1,603,064	9,219,493	(7,616,429)
Administrative expenses	13,642,612	8,864,279	4,778,333
Other expenses	23,453,404	18,836,590	4,616,814
Loss after taxation	19,353,811	14,624,797	4,729,014
Equity attributable to owners of the company	359,368,033	377,320,113	(17,952,080)

- (a) What are the reasons for the significant increase in administrative expenses and other expenses despite the Group recording a lower revenue as compared to the previous financial year? Please provide the breakdown of these expenses.

**Response:**

- i. **The increase in administrative and other expenses are mainly due to the following items:-**

<b>Expense item</b>	<b>Increase (RM)</b>
<b>Realised loss on investment</b>	<b>4,996,391.00</b>
<b>Impairment of property, plant and equipment</b>	<b>1,316,659.00</b>
<b>Legal and professional fees</b>	<b>1,192,404.00</b>
<b>Realised loss on foreign exchange</b>	<b>375,000.00</b>
<b>Repairs and Maintenance</b>	<b>224,557.00</b>

- ii. **The realized loss on investment and foreign exchange is mainly due to the switching of the investment portfolio from equities to fixed income.**
- iii. **The impairment of property, plant and equipment was made based on independent valuations made to the property, plant and equipment.**
- iv. **The legal and professional fees incurred were for the assessments of corporate projects and exercises which did not materialise.**

- (b) What is the prospect of achieving a better bottom-line result and improving the shareholder's equity in FYE 2024, after recording consecutive losses after taxation in FYE 2022 & FYE 2023?

**Response:**

**The interest rates in the United States of America remain high and coupled with a slowdown in China's economy, sets a challenging condition to achieve improved financial performance. The Group is closely monitoring its costs and is mindful of the need to increase revenue. With the Group's continued initiatives in managing costs and intensified sales and leasing efforts, we look forward to an improved financial performance in the financial year ahead.**

2. Plywood Operation Division

Question 2

With the cessation of plywood operations on 1 January 2023, the Tawau factory has been leased out with a monthly base rent of RM25,000, with additional variable rent in excess of monthly production above 1,000 m<sup>3</sup> (Page 10 of the Annual Report 2023).

- (a) Is the Tawau factory being leased out entirely or partially? Does the monthly base rent of RM25,000 reflect the market rental rate in terms of land size or building size?

**Response:**

- i. **The Tawau factory is being leased out entirely.**
- ii. **The monthly base rent was negotiated on a willing buyer willing seller basis, taking into account the land, building and machineries provided.**
- iii. **The factory is a purpose built factory and thus, comparative market rates were not readily available.**

- (b) What is the expected return on assets for leasing the Tawau factory?

**Response:**

**The expected return on assets is at 1.25% based on the base rent and is expected to achieve a return of 3.5% should production be increased to 2500 m<sup>3</sup>, based on historical production capacity before the lease.**

**As the value of assets have been further revised due to the valuation, the return on assets has inevitably improved favourably.**

- (c) Moving forward, what is the Group's long-term strategy in managing the assets under the plywood operation division, include the Sibu factory? Will the Group consider disposing the assets?

**Response:**

**Various strategies are being considered in managing the assets under the plywood division which includes the following:-**

- i. The next best use for the land and equipment;**
- ii. The sale of the equipment and land and building, either separately or in total; and**
- iii. The lease of the land, building and equipment for use other than for plywood manufacturing.**

3. Property Development Division

Question 3

- (a) What are the current sales, take-up rates, and targeted sales in FYE 2024 for the Affiniti Residence project and the commercial units at The Atmosphere respectively?

**Response:**

**Only a handful of the Affiniti Residence units are left for sale and the project has handed vacant possession to the purchasers in January 2023. The balance units are expected to be sold by this financial year.**

**The leasing of the units at The Atmosphere has been improving with only 40% of units available, for which many enquiries have been received for lease and substantial units under discussions to be leased.**

- (b) Does the Group plan to launch new property development projects to sustain the Group's future revenue?

**Response:**

**The Group will continue to implement its revenue strategy and if conditions are right, the development of new property projects is part of the strategy.**

4. Property and Investment Holdings Division

The Group's investment portfolios were also reshuffled with a focus on higher fixed income returns (Page 7 of the Annual Report 2023). What is the current and targeted return on investment ("**ROI**") of the Group's investment portfolio?

**Response:**

**The fixed income portfolio has provided an encouraging return of 5.4% per annum for the first quarter of financial year 2024. This ROI is higher compared to local fixed income return rates and is expected to hold at this point.**

**Corporate Governance Matters**

5. The Company did not disclose the costs incurred for the internal audit function in its Annual Report 2023.

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 notes of the requirement for our future reporting.**

- (b) What is the total cost incurred for the internal audit function and what are key audit areas or cycles that covered by the internal auditor in FYE 2023?

**Response:**

**The total cost incurred for the internal audit function in FY2023 was at RM41,000.**