

CRESCENDO CORPORATION BERHAD
Registration No.: 199501030544 (359750-D)
(Incorporated in Malaysia)

Minutes of the Twenty-sixth Annual General Meeting of the Company held at the Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 27 July 2022 at 2.00 p.m.

PRESENT:

BOARD OF DIRECTORS

Mr. Gooi Seong Lim (Chairman and Managing Director)
Mr. Gooi Seong Heen (Executive Director)
Mr. Gooi Seong Chneh (Executive Director)
Mr. Gooi Seong Gum (Executive Director)
Mr. Gan Kim Guan (Senior Independent Non-Executive Director)
Mr. Yeo Jon Tian @ Eeyo Jon Thiam (Independent Non-Executive Director)
Mr. Chew Ching Chong (Independent Non-Executive Director)
Mr. Tan Ah Lai (Independent Non-Executive Director)

SHAREHOLDERS / PROXIES / CORPORATE REPRESENTATIVES

As per attendance record

BY INVITATION

Mr. Mohammad Nizam Johari (M/s Raki CS Tan & Ramanan)

IN ATTENDANCE

Ms. Yuen Suh Chin (Group Financial Controller)
Mr. Kan Chee Jing (Company Secretary)

1. NOTE OF WELCOME

1.1 The Chairman called the Meeting to order and welcomed the members to the Meeting.

2. QUORUM AND NOTICE

2.1 The Chairman informed the Meeting that the Secretary had confirmed the presence of a quorum and the Notice of Meeting and the Notification on the publication of the Notice of Meeting, the Annual Report 2022, the Corporate Governance Report 2022 and the Statement to Shareholders in relation to the Proposed Renewal of Authority for Share Buy-Back on the Company's website, had been duly and properly distributed to the members.

2.2 With the consent of the Meeting, the Notice of Meeting was taken as read.

3. VOTING BY POLL

3.1 The Chairman informed that voting on all resolutions would be conducted by poll in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. The polling process would be undertaken by the Share Registrar and the poll results would be verified by M/s. SKW Associates, Chartered Accountants, as the appointed Independent Scrutineer. The polling process for the resolutions would be conducted upon completion of the deliberation of all items on the Agenda.

4. AGENDA ITEM NO. 1 – TO RECEIVE THE DIRECTORS’ REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST JANUARY, 2022 TOGETHER WITH THE AUDITORS’ REPORT THEREON

4.1 The Directors’ Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 31st January, 2022 together with the Auditors’ Report thereon were tabled.

4.2 The Chairman informed the Meeting that the Minority Shareholder Watch Group (“MSWG”) had via their letter dated 15th July, 2022 raised some questions in relation to the operational and financial matters of the Group and corporate governance. The list of the Company’s answers to MSWG’s questions as set out in Appendix 1 had been provided to the shareholders during the registration of attendance for information.

4.3 The Chairman invited questions from the floor.

4.4 There was no question from the floor.

4.5 The Chairman declared that the Directors’ Report and the Audited Financial Statements of the Group and of the Company for the year ended 31st January, 2022 together with the Auditors’ Report thereon be received.

5. ORDINARY RESOLUTION NO. 1 – TO DELARE A FINAL SINGLE TIER DIVIDEND OF 2 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31ST JANUARY, 2022

5.1 The Chairman tabled the Ordinary Resolution No. 1 pertaining to the declaration of a final single tier dividend of 2 sen per share in respect of the year ended 31st January, 2022 and if approved, the dividend would be paid on 29th August, 2022 to the shareholders registered in the Record of Depositors as at 12th August, 2022.

5.2 The Chairman proposed to move the resolution that a final single tier dividend of 2 sen per share in respect of the year ended 31st January, 2022 be declared payable on 29th August, 2022 to the members registered in the Record of Depositors as at 12th August, 2022, which was seconded by Ms. Gan Leek Peng.

5.3 The determination of the resolution is by poll by filling the voting papers towards the conclusion of the Meeting.

6. ORDINARY RESOLUTION NO. 2 – TO APPROVE THE PAYMENT OF DIRECTORS’ FEES TOTALING RM347,500 FOR THE FINANCIAL YEAR ENDED 31ST JANUARY, 2022

6.1 The Chairman proposed to move the resolution that the payment of Directors’ fees totaling RM347,500 for the financial year ended 31st January, 2022 be approved, which was seconded by Mr. Yap Choon Lim.

6.2 The determination of the resolution is by poll by filling the voting papers towards the conclusion of the Meeting.

7. ORDINARY RESOLUTION NO. 3 – TO APPROVE THE PAYMENT OF DIRECTORS’ BENEFITS OF UP TO RM40,000 FROM THIS ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL OF MEETING OF THE COMPANY

7.1 Ms. Chan Ai Lin proposed to move the resolution that the payment of Directors’ benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company be approved, which was seconded by Mr. Chow Kok Hiang.

7.2 The determination of this resolution is by poll by filling the voting papers towards the conclusion of the Meeting.

8. ORDINARY RESOLUTION NO. 4 - RE-ELECTION OF MR. GOOI SEONG GUM AS A DIRECTOR

8.1 The Chairman informed the Meeting that in accordance with Clause 88 of the Constitution of the Company, Mr. Gooi Seong Gum retires as a Director at the conclusion of the Meeting and being eligible, has offered himself for re-election.

8.2 The Chairman proposed to move the resolution that Mr. Gooi Seong Gum be re-elected as a Director of the Company, which was seconded by Ms. Chiam Lih Shan.

8.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

9. ORDINARY RESOLUTION NO. 5 - RE-ELECTION OF MR. GAN KIM GUAN AS A DIRECTOR

9.1 The Chairman informed the Meeting that in accordance with Clause 88 of the Constitution of the Company, Mr. Gan Kim Guan retires as a Director at the conclusion of the Meeting and being eligible, has offered himself for re-election.

9.2 The Chairman proposed to move the resolution that Mr. Gan Kim Guan be re-elected as a Director of the Company, which was seconded by Mr. Chan Weng Hong.

9.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

9.4 As the Chairman was an interested party in the next resolution on the re-election of himself as a Director of the Company, he invited the Executive Director, Mr. Gooi Seong Heen, to take over the Chair and put forward the resolution to the Meeting.

9.5 Mr. Gooi Seong Heen then took the Chair.

10. ORDINARY RESOLUTION NO. 6 - RE-ELECTION OF MR. GOOI SEONG LIM AS A DIRECTOR

10.1 Mr. Gooi Seong Heen informed the Meeting that in accordance with Clause 88 of the Constitution of the Company, Mr. Gooi Seong Lim retires as a Director at the conclusion of the Meeting and being eligible, has offered himself for re-election.

10.2 Mr. Gooi Seong Heen proposed to move the resolution that Mr. Gooi Seong Lim be re-elected as a Director of the Company, which was seconded by Ms. Chan Ai Lin.

10.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

10.4 Mr. Gooi Seong Heen then passed the Chair back to Mr. Gooi Seong Lim.

11. ORDINARY RESOLUTION NO. 7 – TO RE-APPOINT M/S. RAKI CS TAN & RAMANAN AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

11.1 The Chairman informed the meeting that M/s. Raki CS Tan & Ramanan retire as the Auditors at the conclusion of the Meeting and the Board has recommended them to be re-appointed.

11.2 The Chairman proposed to move the resolution that M/s. Raki CS Tan & Ramanan be 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, which was seconded by Ms. Chua Yoke Bee.

11.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

12. ORDINARY RESOLUTION NO. 8 - AUTHORITY TO ALLOT AND ISSUE SHARES NOT EXCEEDING 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

12.1 The Chairman said that the Board seeks the mandate of the shareholders to allot and issue new shares up to an amount not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the reasons as explained in the Notice of Meeting.

12.2 The Chairman proposed to move the following resolution as set out in the Notice of Meeting which was seconded by Ms. Gan Leek Peng.

“THAT subject always to the Companies Act, 2016, the Constitution of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit and that the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.”

12.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

13. ORDINARY RESOLUTION NO. 9 - PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

13.1 The Chairman drew shareholders' attention to the rationale for the Proposed Renewal of Authority for Share Buy-back as set out in the Statement to Shareholders. As the mandate obtained at the last annual general meeting held on 28th July, 2021 would expire at the conclusion of the Meeting, the Board sought a renewal of the same mandate.

13.2 The Chairman proposed to move the following resolution as set out in the Notice of Meeting, which was seconded by Encik Shahrul Azli bin Md Razali -

“THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 (“the Act”), the provisions of the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following -

- (a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 28,046,249 representing 10% of the total number of issued shares of the Company as at 22 April 2022;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company as at 31 January 2022 of RM167,839,379;
- (c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next annual general meeting or the expiry of the period within which the next annual general meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;
- (d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner -
 - (i) to cancel the shares so purchased; or
 - (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees’ share scheme or as purchase consideration; or
 - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder;

and in any other manner as prescribed by Section 127 of 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;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

13.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

14. ORDINARY RESOLUTION NO. 10 - RETENTION OF MR. YEO JON TIAN @ EEYO JON THIAM AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

14.1 The Chairman informed the Meeting that the Nominating Committee and the Board have assessed the independence of Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.

14.2 The Chairman proposed to move the following resolution as set out in the Notice of Meeting, which was seconded by Mr. Yap Choon Lim -

“THAT Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021.”

14.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

15. ORDINARY RESOLUTION NO. 11 - RETENTION OF MR. GAN KIM GUAN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

15.1 The Chairman informed the Meeting that the Nominating Committee and the Board have assessed the independence of Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.

15.2 The Chairman proposed to move the following resolution as set out in the Notice of Meeting, which was seconded by Ms. Gan Leek Peng –

“THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021.”

15.3 The determination of the resolution is by poll by filing the voting papers towards the conclusion of the Meeting.

16. ORDINARY RESOLUTION NO. 12 - RETENTION OF MR. TAN AH LAI AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

16.1 The Chairman informed the Meeting that the Nominating Committee and the Board have assessed the independence of Mr. Tan Ah Lai, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.

16.2 The Chairman proposed to move the following resolution as set out in the Notice of Meeting, which was seconded by Encik Shahrul Azli bin Md Razali -

“THAT Mr. Tan Ah Lai, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021.”

16.3 The determination of the resolution is by poll by filling the voting papers towards the conclusion of the Meeting.

17. AGENDA ITEM NO. 11 – TO CONSIDER ANY OTHER BUSINESS FOR WHICH DUE NOTICE SHALL HAVE BEEN GIVEN

17.1 At the request of the Chairman, the Secretary confirmed that no notice was received from any shareholder to transact any other business.

18. POLLING PROCESS

18.1 The Chairman informed that as the Meeting had deliberated all the proposed Ordinary Resolution Nos. 1 to 12, it was time for the determination of the Resolutions by poll. He then invited the Secretary to read out the polling procedure.

18.2 The Secretary briefed the Meeting that at the registration of attendance, the shareholders / proxies/ corporate representatives have been provided with a voting paper for all the proposed Ordinary Resolution Nos. 1 to 12.

For the shareholders / proxies / corporate representatives, they were required to indicate whether they were voting for or against each of the Ordinary Resolution Nos. 1 to 12, by marking an “X” in the appropriate box and sign the voting papers.

For those proxies whose voting papers would have been filled according to the voting instruction given by the shareholders appointing them, they were only required to sign on the voting papers.

The representatives of the Share Registrar would come and collect the voting papers after 5 minutes.

18.3 After the collection of the voting papers, the Chairman said that as the representatives of the Share Registrar would take some time to count and tabulate the results of the 12 Ordinary Resolutions which would be verified by the Independent Scrutineer, with the consent of the Meeting, he declared that the Meeting be adjourned 30 minutes for the counting of the votes and would resume at 3.00 p.m. for the declaration of poll results in respect of the Resolutions. He then invited the Meeting for some refreshments.

...8/-

19. ANNOUNCEMENT OF POLL RESULTS

19.1 At 3.00 p.m., the Chairman called the Meeting to order for the announcement of poll results which had been verified by the Independent Scrutineer. He declared the results of the poll as follows -

ORDINARY RESOLUTION NO. 1

To declare a final single tier dividend of 2 sen per share in respect of the financial year ended 31st January, 2022.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 1	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 1 carried.

ORDINARY RESOLUTION NO. 2

To approve the payment of Directors' fees totaling RM347,500 for the financial year ended 31st January 2022.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 2	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 2 carried.

ORDINARY RESOLUTION NO. 3

To approve the payment of Directors' benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 3	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 3 carried.

ORDINARY RESOLUTION NO. 4

Re-election of Mr. Gooi Seong Gum as a Director pursuant to Clause 88 of the Constitution of the Company.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 4	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 4 carried.

ORDINARY RESOLUTION NO. 5

Re-election of Mr. Gan Kim Guan as a Director pursuant to Clause 88 of the Constitution of the Company.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 5	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 5 carried.

ORDINARY RESOLUTION NO. 6

Re-election of Mr. Gooi Seong Lim as a Director pursuant to Clause 88 of the Constitution of the Company.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 6	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 6 carried.

ORDINARY RESOLUTION NO. 7

To re-appoint M/s. Raki CS Tan & Ramanan as Auditors of the Company and to authorise the Directors to fix their remuneration.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 7	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 7 carried.

ORDINARY RESOLUTION NO. 8

Authority to allot and issue shares not exceeding 10% of the total number of issued shares of the Company under Sections 75 and 76 of the Companies Act, 2016.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 8	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 8 carried.

ORDINARY RESOLUTION NO. 9

Proposed Renewal of Authority for Share Buy-Back.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 9	206,179,483	100	29	0	0	0

The Chairman declared the Ordinary Resolution 9 carried.

ORDINARY RESOLUTION NO. 10

Retention of Mr. Yeo Jon Tian @ Eeyo Jon Thiam as an Independent Non-Executive Director.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 10	206,179,383	100	28	100	0	1

The Chairman declared the Ordinary Resolution 10 carried.

ORDINARY RESOLUTION NO. 11

Retention of Mr. Gan Kim Guan as an Independent Non-Executive Director.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 11	206,179,383	100	28	100	0	1

The Chairman declared the Ordinary Resolution 11 carried.

ORDINARY RESOLUTION NO. 12

Retention of Mr. Tan Ah Lai as an Independent Non-Executive Director.

	FOR			AGAINST		
	No. of shares	%	No. of Shareholders	No. of shares	%	No. of Shareholders
Ordinary Resolution 12	206,179,383	100	28	100	0	1

The Chairman declared the Ordinary Resolution 12 carried.

20. CLOSURE OF MEETING

20.1 There being no further business, the meeting was declared closed at 3.16 p.m. with a vote of thanks to the Chair

CONFIRMED AS A CORRECT
RECORD OF THE PROCEEDINGS

GOOI SEONG LIM
CHAIRMAN

CRESCENDO CORPORATION BERHAD
Registration No.: 199501030544 (359750-D)
(Incorporated in Malaysia)

TWENTY-SIXTH ANNUAL GENERAL MEETING
Wednesday, 27 July 2022
2.00 p.m.

Company's answers to the questions from the Minority Shareholder Watch Group vide letter dated 15 July 2022

Operational and Financial Matters

- Q1 Looking ahead, the property markets will continue to remain challenging in the short to medium-term due to rising cost of building materials, commodities and shortage of workers caused by the prolonged COVID-19 pandemic/endemic. (Page 22 of AR)
- (a) Are the Group's property projects impacted by the rising cost of building materials and shortage of workers caused by the prolonged COVID-19 pandemic/endemic? If yes, please elaborate the impact.
 - (b) What are the measures taken by the Group to mitigate the challenges mentioned in item (a) above and how successful are these measures expected to be in terms on the impact on the profit margin of the property projects to be launched?
 - (c) Does the Group intend to introduce Industrialised Building System, ("IBS") to save time, cost of material and labour? If not, why?
- A1
- (a) The impact of the rising cost of building materials and shortage of workers on the Group's performance in FY2022 was not significant as the major costs have already been committed prior to the pandemic. Going forward, the rising cost of building materials is expected to affect the profit margin of the Group's property projects while the shortage of workers may potentially result in delaying the completion of projects.
 - (b) The Group will launch and fix the selling price only after the tender for the main components of the construction work is held so that any cost increases will be factored into the selling price.
 - (c) IBS will only be cost efficient if there is high volume and repetition of building components with uniform design. The Group will continue to explore systems that are cost and labour efficient.

Q2 The Group has written off RM0.83 million from the lifetime expected credit loss, (“LTECL”) in FY2022 as compared to RMNil in FY2021. (Page 123 of AR)

Please provide a breakdown of the RM0.83 million LTECL by the Group’s business segments and value respectively.

A2 94% of the amount was from the manufacturing segment and the remaining was from the property investment segment.

Q3 The Group’s subsidiaries financial performance for FY2022 was poor as compared to FY2021.

The Group’s subsidiaries reported a drop in revenue to RM75.2 million in FY 2022 from RM81.9 million in FY 2021.

The profit before tax of the subsidiaries dropped substantially from RM5.63 million in FY2021 to RM1.73 million in FY2022. (Page 112 of AR)

(a) Please name the subsidiaries that have reported lower revenue and profit before tax in FY2022 compared to FY2021.

(b) What were the reasons for the poor performance of these subsidiaries in FY2022?

(c) What measures has the Group taken to improve the financial results of these poorly performing subsidiaries moving forward?

(d) How is the outlook of the poorly performing subsidiaries in FY2023?

A3 (a) The financial results disclosed in Note 7 to the financial statements on page 112 of Annual Report 2022 relate to Unibase Construction Sdn Bhd and its subsidiaries (“Unibase sub-group”) which are mainly involved in construction, manufacturing and trading of building materials. The construction division under Unibase sub-group had reported lower revenue and profit before tax in FY2022.

(b) The performance of these subsidiaries under construction division was affected by the lower construction activities due to the re-imposition of the various Movement Control Orders (“MCO”) phases to curb the outbreak of COVID-19. The operating profit of the manufacturing division was also lower due to the additional expenses incurred pursuant to the temporary cessation of operation by a subsidiary.

(c) We will continue to tender for more external construction projects with good profit margin and from reputable customers.

(d) The contribution of construction division to the Group is expected to remain small.

Q4 The Group's revenue from construction contracts has increased substantially from RM0.8 million in FY2021 to RM10.7 million in FY2022. (Page 130 of AR)

- (a) What were the reasons for the higher revenue from construction contracts in FY2022?
- (b) Please provide a breakdown of the construction contracts revenue by in house and external projects for both FYs.
- (c) What were the gross profit margins of the construction contracts for FYs 2021 and 2022?

A4 (a) The higher revenue from construction contracts in FY2022 was due to new external construction contract.

(b) The construction contract revenue for FY2022 comprised 67% of in-house and 33% of external projects. For FY2021, almost all the construction contract revenue was from in-house projects.

(c) The profit contribution by the construction division is minimal.

Q5 During the FY2022, the Group launched 36 units of shop offices and 124 units of mid to high-end market landed residential properties with a GDV of RM150 million at Bandar Cemerlang. (Page 25 of AR)

What is the latest take-up rate of the shop offices and high-end market landed residential properties?

A5 The latest take-up rate of the shop offices and high-end market landed residential properties is approximately 25%. Another 25% has been booked with loan approval pending.

Corporate Governance

Q1 Mr. Gooi Seong Lim, the Executive Chairman/Managing Director of the Company had attended 3 out of the 5 Board meetings, constituting 60% attendance as compared to 100% attendance of the other Board members.

- (a) Please explain why the Executive Chairman/Managing Director was unable to attend the two meetings.
- (b) Who chaired the two meetings in the absence of the Executive Chairman/Managing Director?

A1 (a) The Executive Chairman/Managing Director was not present at the two meetings because of medical treatment for an injury and Covid-19 vaccine booster appointment.

(b) Mr. Gooi Seong Heen, the Executive Director, chaired the two meetings in the absence of the Executive Chairman/Managing Director.