

BENALEC HOLDINGS BERHAD
200501020529 (702653-V)
(Incorporated in Malaysia)

Minutes of the Sixteenth Annual General Meeting of the Company conducted online through live streaming from the broadcast venue at Benalec Holdings Berhad Headquarters (Pacific Board Room), No. 23, Jalan Perintis U1/52, Glenmarie Temasya, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, on Wednesday, 25 May 2022 at 10.00 a.m.

Present : Mr Wong Yoke Nyen Chairman of the meeting
– Others as per attendance list

By Invitation : Dato' Leaw Seng Hai
Ms Leaw Ai Lin
Mr Koo Hoong Kwan
En. Fazrin Azwar Bin Md. Nor } Directors

In Attendance : Ms Michelle Lim Wei Lee } Secretary
Ms Tham Yin Tong* }
Mr Lee Sing Sian* } Representatives of Tricor
Corporate Services Sdn
Bhd

*via video conference

1. QUORUM

On behalf of the Board of Directors of Benalec Holdings Berhad (“the Company” or “BHB”), Mr Wong Yoke Nyen (“the Chairman”), the Independent Non-Executive Chairman of the Company, welcomed all present at the meeting.

Upon confirming a quorum pursuant to Clause 56(2) of the Company’s Constitution, the Chairman called the meeting to order at 10.00 a.m.

2. NOTICE OF MEETING

The Chairman informed that the resolutions set out in the notice of meeting would be voted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman further informed that the Company was required to appoint at least one scrutineer to validate the votes cast at the general meeting and then declared that the scrutineer for the poll was Aldpro Corporate Services Sdn. Bhd. (“ACS”).

The Chairman informed that the poll on all resolutions would be conducted after the meeting had deliberated on all the items on the agenda. Shareholders or proxies who wished to vote before the voting session could do so via the online remote voting until an announcement on its cessation was made.

The Chairman further informed that Ordinary Resolutions 1 to 9, as tabled at the meeting, required a simple majority of more than 50% votes from the shareholders and proxies who were present and voting at the meeting.

The Chairman informed that Ordinary Resolutions 6 and 7 pertained to the re-election of himself and Mr Koo Hoong Kwan, who had served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. As such, the Company sought the shareholders' approval for the proposed Ordinary Resolutions 6 and 7 through a two-tier voting process.

The Chairman informed that under the voting process, shareholders' votes would be cast in two tiers – Tier 1 by the Large Shareholder(s) of the Company and Tier 2 by the shareholders other than Large Shareholder(s). The decision would be determined by the votes of Tier 1 and simple majority of Tier 2.

The Chairman also informed that during the Q&A session, the Company would address the questions submitted electronically in advance by shareholders or proxies, who could also pose questions during the meeting by typing their questions in the query box. Should there be a duplication in the questions, the Company would group the related and similar questions and provide the appropriate responses. In the event the Company was unable to answer all the questions due to time constraint, the Company will provide the responses either by email or post them on the Company's website.

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

The representative from the Poll Administrator was invited to explain the voting procedure through the remote participation and voting application to the shareholders.

There being no objection, the notice convening the meeting, having been circulated to all the shareholders of the Company within the statutory period, was taken as read.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 December 2021, together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements"), having been circulated to all the shareholders of the Company within the statutory period, were tabled before the meeting for discussion.

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

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

4. ORDINARY RESOLUTION 1
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The meeting continued to consider the payment of Directors' fees of RM672,000.00 for the financial year ended 31 December 2021.

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

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

5. ORDINARY RESOLUTION 2
DIRECTORS' BENEFITS FOR THE PERIOD FROM 26 MAY 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING

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

The Chairman informed that the Board of Directors had proposed an aggregate amount of RM50,000.00 to the Directors of the Company for the period from 26 May 2022 until the next Annual General Meeting of the Company.

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

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

6. ORDINARY RESOLUTIONS 3 AND 4
RE-ELECTION OF DIRECTORS
(I) DATO' LEAW SENG HAI
(II) MR KOO HOONG KWAN

(I) Re-election of Dato' Leaw Seng Hai

The Chairman informed that Dato' Leaw Seng Hai was retiring from the Board pursuant to Clause 76 of the Company's Constitution and being eligible, had offered himself for re-election. His profile is available on page 12 of the Annual Report.

The Chairman further informed the shareholders or proxies to leave their questions pertaining to Dato' Leaw Seng Hai's re-election in the query box and the Board would address the questions during the Q&A session later.

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

(II) Re-election of Mr Koo Hoong Kwan

The Chairman informed that Mr Koo Hoong Kwan was retiring from the Board pursuant to Clause 76 of the Company's Constitution and being eligible, had offered himself for re-election. His profile is available on page 13 of the Annual Report.

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

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

7. ORDINARY RESOLUTION 5
APPOINTMENT OF MESSRS BDO PLT AS AUDITORS OF THE COMPANY

The Chairman informed that the retiring Auditors, Messrs BDO PLT, had given their consent for re-appointment as Auditors of the Company. The meeting was requested to consider the re-appointment of Messrs BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration.

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

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

8. ORDINARY RESOLUTIONS 6 (SPECIAL BUSINESS)
PROPOSED CONTINUATION IN OFFICE OF MR WONG YOKE NYEN AS INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman handed over the chair of the meeting to Mr Koo Hoong Kwan to conduct the agenda item related to his (Mr Wong Yoke Nyen) continuation in office as Independent Non-Executive Director.

The meeting proceeded to consider the proposal for Mr Wong Yoke Nyen to continue in office as Independent Non-Executive Director of the Company.

Mr Koo further informed the shareholders or proxies to leave their questions pertaining to this resolution in the query box and the Board would address the questions during the Q&A session later.

Thereafter, Mr Koo Hoong Kwan put the motion to a vote by poll at the end of the meeting. Mr Koo Hoong Kwan then passed the chair back to the Chairman.

9. ORDINARY RESOLUTIONS 7 (SPECIAL BUSINESS)
PROPOSED CONTINUATION IN OFFICE OF MR KOO HOONG KWAN AS
INDEPENDENT NON-EXECUTIVE DIRECTOR

The meeting proceeded to consider the proposal for Mr Koo Hoong Kwan to continue in office as Independent Non-Executive Director of the Company.

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

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

10. ORDINARY RESOLUTION 8 (SPECIAL BUSINESS)
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE
COMPANIES ACT 2016

The meeting continued to consider the special business in respect of the proposed Ordinary Resolution 8 on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The full text of the proposed Ordinary Resolution 8 had been set out in the notice of meeting and the same was taken as read.

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

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

11. ORDINARY RESOLUTION 9 (SPECIAL BUSINESS)
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The Chairman informed that the full text of the proposed Ordinary Resolution 9, as set out in the notice of meeting, and the details of the Proposed Renewal of Authority for Share Buy-Back, which had been clearly set out in the Share Buy-Back Statement contained in the Annual Report, was taken as read.

The Chairman further informed that the passing of this Ordinary Resolution 9 would provide a mandate for the Company to purchase its own shares up to 10% of the total number of issued shares of the Company and shall lapse at the conclusion of the next Annual General Meeting unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

BENALEC HOLDINGS BERHAD
200501020529 (702653-V)
MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING HELD ON 25 MAY 2022

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

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

The Chairman proceeded to the Q&A session.

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

After the questions from the shareholders had been satisfactorily answered by the Chairman, the Board and the Chief Financial Officer, the Chairman concluded the Q&A session.

The Chairman added that the responses to the questions that were not addressed during the Q&A session would either be e-mailed to the shareholders concerned after the meeting or posted on the Company's website.

The Chairman then informed that since the Company had dealt with all the items on the Agenda, the meeting would proceed to conduct the poll for the proposed resolutions. The shareholders and/or proxies were informed to submit their vote.

The representative of the Share Registrar was invited to brief the shareholders on the poll procedure. The meeting proceeded to poll voting.

The voting session ended at 10.40 a.m. and the meeting adjourned for 20 minutes for the counting of the votes.

Upon completion of the counting of the votes, the Chairman called the meeting to order at 11.12 a.m. and announced the results of the poll as follows:-

ORDINARY RESOLUTION 1 – DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,452,130	99.7016	261,732	0.2984	87,713,862	100.0000

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

“RESOLVED THAT the payment of Directors' fees of RM672,000 to the Non-Executive Directors for the financial year ended 31 December 2021 be approved.”

ORDINARY RESOLUTION 2 – DIRECTORS’ BENEFITS FOR THE PERIOD FROM 26 MAY 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING

<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,438,630	99.6602	298,132	0.3398	87,736,762	100.0000		

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

“**RESOLVED** THAT the payment of Directors’ benefits of up to RM50,000.00 to the Non-Executive Directors for the period from 26 May 2022 until the next Annual General Meeting be approved.”

ORDINARY RESOLUTION 3 – RE-ELECTION OF DATO’ LEAW SENG HAI

<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,953,661	99.7175	249,201	0.2825	88,202,862	100.0000		

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

“**RESOLVED** THAT Dato’ Leaw Seng Hai, retiring pursuant to Clause 76 of the Company’s Constitution and being eligible, be re-elected as Director of the Company.”

ORDINARY RESOLUTION 4 – RE-ELECTION OF MR KOO HOONG KWAN

<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,944,061	99.7066	258,801	0.2934	88,202,862	100.0000		

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

“**RESOLVED** THAT Mr Koo Hoong Kwan, retiring pursuant to Clause 76 of the Company’s Constitution and being eligible, be re-elected as Director of the Company.”

ORDINARY RESOLUTION 5 – APPOINTMENT OF MESSRS BDO PLT AS AUDITORS OF THE COMPANY

<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>Vote Against</u>	<u>Vote Against</u>	<u>No. of Shares</u>	<u>%</u>
		<u>No. of Shares</u>	<u>%</u>		
87,941,161	99.7033	261,701	0.2967	88,202,862	100.0000

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

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

ORDINARY RESOLUTION 6 (SPECIAL BUSINESS) – PROPOSED CONTINUATION IN OFFICE OF MR WONG YOKE NYEN AS INDEPENDENT NON-EXECUTIVE DIRECTOR

	<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Total Votes</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>Vote Against</u>	<u>Vote Against</u>	<u>No. of Shares</u>	<u>%</u>
			<u>No. of Shares</u>	<u>%</u>		
Tier 1	86,858,300	100.0000	0	0.0000	86,858,300	100.0000
Tier 2	1,073,661	79.8521	270,901	20.1479	1,344,562	100.0000

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

“**RESOLVED** THAT approval be and is hereby given to Mr Wong Yoke Nyen, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”

ORDINARY RESOLUTION 7 (SPECIAL BUSINESS) – PROPOSED CONTINUATION IN OFFICE OF MR KOO HOONG KWAN AS INDEPENDENT NON-EXECUTIVE DIRECTOR

	<u>Vote For</u>		<u>Result On Voting By Poll</u>		<u>Total Votes</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>Vote Against</u>	<u>Vote Against</u>	<u>No. of Shares</u>	<u>%</u>
			<u>No. of Shares</u>	<u>%</u>		
Tier 1	86,858,300	100.0000	0	0.0000	86,858,300	100.0000
Tier 2	1,090,161	81.0793	254,401	18.9207	1,344,562	100.0000

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

“**RESOLVED** THAT approval be and is hereby given to Mr Koo Hoong Kwan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”

ORDINARY RESOLUTION 8 (SPECIAL BUSINESS) – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,999,761	99.7697	203,101	0.2303	88,202,862	100.0000

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

“**RESOLVED** THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and the Constitution of the Company and subject to the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued during the preceding 12 months does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.”

ORDINARY RESOLUTION 9 (SPECIAL BUSINESS) – PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

<u>Result On Voting By Poll</u>					
<u>Vote For</u>		<u>Vote Against</u>		<u>Total Votes</u>	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
87,989,861	99.7585	213,001	0.2415	88,202,862	100.0000

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

“**RESOLVED** THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to

the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- i) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

12. CLOSURE

There being no further business, the meeting closed at 11.20 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN OF THE MEETING

Dated:

AW:SF:TYT:LSS
Minutes of 16th AGM

BENALEC HOLDINGS BERHAD
200501020529 (702653-V)
(Incorporated in Malaysia)

NOTES IN RESPECT OF THE QUESTION-AND-ANSWER (“Q&A”) SESSION AT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ONLINE THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT BENALEC HOLDINGS BERHAD HEADQUARTERS (PACIFIC BOARD ROOM), NO. 23, JALAN PERINTIS U1/52, GLENMARIE TEMASYA, SEKSYEN U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN, ON WEDNESDAY, 25 MAY 2022 AT 10.00 A.M.

Questions from Minority Shareholders Watch Group (“MSWG”)

Q1 The Group recorded a loss before tax of RM33.2 million in the current FY2021, a reduction of loss of approximately 54.9% as compared to a loss before taxation of RM73.8million in the prior financial year (Page 20 of Annual Report 2021).

Considering the reduction of loss before tax of approximately 54.9% recorded in FY2021, what is the prospect of Benalec’s performance achieving positive earnings before tax in the next two financial years? When is the Group’s performance expected to turnaround?

Ans. The reduction of loss was mainly due to the high losses arising from the disposal of land transaction in prior year, which was deemed necessary by the Board in sustaining the operation of the Group and replenishing its cash flow amidst the depressed and uncertain market condition caused by the COVID-19 pandemic.

In light of the current uncertainties in both national and global economies, which is further challenged by the oil price volatility due to the Russian-Ukraine war, weakening of Ringgit against other major currencies and global inflationary pressure mainly caused by supply chain disruption, many market players have adopted a wait-and-see approach due to the tightening of the financial markets. It is generally perceived that the property market would remain soft in the immediate and near-term. The Group does not expect to achieve high profit in FYE2022.

However, we continue to believe in the resiliency of our business model as well as the underlying value of the reclaimed land bank of the Group. This outlook is sync with the progressive reopening and recovery of Malaysia economy.

Bearing in mind the financial position of the Group at all times, the management is also constantly lookout to explore and to diversify our income stream, as well as participating in tendering projects that are viable to bring recurring income and replenish the order book. We firmly believe in the power of partnerships when it comes to venturing into new businesses or industries, therefore should there be a requirement for us by our customers to participate in developing properties on our reclaimed land on a joint venture basis, subject always to identifying suitable partners and having a viable proposal which offers value propositions that align with our business direction, we certainly welcome it and take the same into serious consideration.

- Q2** There are net impairment losses on property, plant and equipment, namely barges and dredges, amounting to RM11,250,737 (FY2020: RM513,016) (Pages 94 - 95 of the Annual Report 2021).
- a. What are the factors that triggered the impairment losses?
 - b. What is the prospect of reversing the amount?

Ans. The impairment is to prudently reflect the recoverable amount of the barges and dredges in compliance with the Malaysia Financial Report Standard (MFRS). During the year, the Group made a full assessment on all its barges and dredgers by referring to the market value provided by an independent external valuer.

The impairment loss on these barges and dredgers are of:-

- a. Old age (whereby the higher frequency and cost of maintenance outweigh the economic benefits and no longer deemed as revenue-generating to the Group's operations)
- b. Revamp of the Group's fleet for more efficient operations using sand carriers; coupled with
- c. The softening in demand for barges and dredgers, both internally and externally due to the current economic slowdown and market environment.

Unlike many other marine construction contractors, Benalec owns and operates its own fleet of vessels to support its project as part of its vertical integration in supply chain. As some of these vessels are highly specialised vessels, the usage of these vessels depends on their suitability to our site profile while taking into consideration possible areas of achieving economies of scale to reap better cost efficiencies.

The Group does not expect high reversal of such amount unless there is a significant favourable effect in the market or in the economic environment which will cause a significant increase in the recoverable value of these vessels.

- Q3** a) What is the latest outstanding order book for land reclamation contracts and how long will the existing order book last?
b) What is the targeted order book replenishment in the next two financial years?

Ans. As of 10 May 2022, the total unbilled portion for our land reclamation contracts secured from third-party concessionaire in Melaka and Pulau Indah is RM79.26 million. Our two (2) flagship projects in Johor, namely the Tanjung Piai and Pengerang Maritime Industrial Park projects, were awarded directly by the State of Johor to our 70%-owned subsidiaries. As such, there is no contract sum for the reclamation works for these two (2) projects as the Group shall be entitled to payment-in-kind via land portion upon completing the reclamation works. The total expected GDV from these two (2) Johor projects is estimated to be more than RM16 billion.

For reclamation contracts that are settled by way of cash consideration, the Group is expected to complete these contracts within the time period in the respective contracts, which are generally within twelve (12) to thirty (30) months from commencement of work.

For reclamation contracts that are settled by way of payment-in-kind via land portion, especially in reference to our Johor projects, the Group's latest strategy errs towards a more conversative approach in line with the macro-economic environment, whereby our aim is to adopt the "sell-then-build" model wherever possible, as well as to market and monetise our existing reclaimed landbank first.

The Group also recognises the need to generate new recurring revenue as income stream to smoothen out the current lumpiness in our income and cash flow recognition. The management is constantly looking to explore and diversify its income stream, as well as participate in the tender of projects that are viable to replenish its orderbook and bring in more stable recurring income.

Q4 The Group has monetised more than 957.1 acres of land in Melaka to date, amounting to more than RM1.3 billion in land sales achieved (Page 23 of the Annual Report 2021).

What is the targeted land monetisation and land sales in the next two financial years?

Ans. The Group has managed to sign two (2) land sales SPAs with a total disposal consideration of RM30.65 million since FYE2021. The Group is also finalising another potential SPA with estimated sale value of RM21.51 million and is expected to execute the said SPA in Q2 2022.

After considering all outstanding SPAs yet to be completed and potential SPA with interested buyers identified, the Group's remaining unsold inventory which consist of reclaimed lands in Melaka, P. Indah and Tanjung Piai are estimated with market value of more than RM600 million.

With the current challenges within the property market – depressed land prices due to poor overall demand, recessionary pressure due to buyer's inability to complete or secure funding etc., and while having to ensure ongoing sales for the Group, it is crucial for the Group to attract interest via competitive pricing and create unique value propositions for potential purchasers.

As the master developer of our Johor projects, Benalec can reclaim the land in accordance to the off-taker's requirement based on a "sell-then-build" model. By doing so, proper planning of comprehensive costing and realistic timeframe of reclamation works can be tailored correspondingly to the demands of the off-taker whilst ensuring that the Group has smooth cash flow to realise the project. The management is highly confident in its unique tailor-made proposition to purchasers or investors, and the strong competitive advantages of our Johor projects. We believe this will allow us to capture opportunities that will arise imminently in the oil, gas, chemical and renewables market, as the domestic and global economy recovers from the current reopenings.

Q5 **What are the previous and current utilisation of the Group's fleet of vessels, land machines and equipment?**

Unlike many other marine construction contractors, Benalec owns and operates its own fleet of vessels, land machines and equipment to support its project as part of its vertical integration in supply chain.

Due to the previous Movement Control Order ("MCO") and various phases of MCO imposed by the Government of Malaysia in 2020 and 2021 to curb the spread of COVID-19, the reclamation works for the Group is also affected and hence, the utilisation of these assets was low.

In addition, as mentioned in the answer for Q2 above, as some of these vessels are highly specialised vessels, the usage of these vessels depends on their suitability to our site profile while taking into consideration possible area of achieving economies of scale to reap better cost efficiencies. As such, not all vessels or equipment owned by the Group have been fully utilised.

Having said that, in line with the market recovery, we hope the land reclamation and dredging industry as well as the maritime industry and the demand for vessels that the Group owns will also pick up its pace.

Q6 The Group is pleased to be in collaboration and discussion with several parties to explore TPMIP's suitability as the project site for different projects ranging from power plants, storage terminals, aromatic plants, refineries and steel mills (Page 25 of the Annual Report 2021).

What is the update for the abovementioned initiatives?

Ans. With the first 100 acres of land ready for topside development at TPMIP, the management is still engaging with prospective partners and storage customers. We have found that the uncertainties in the oil market have generally kept prospective investors extremely cautious and conservative about long-term commitments. This is exacerbated by the current slowdown in the global economy that is affecting many companies, especially investors from China. Unfortunately, some of our previous interests seemed to have taken a step back to focus on the viability of their existing business.

We are still confident in the unique characteristic and strong competitive advantages of our TPMIP land, which allows us to capture opportunities that will arise imminently once the global economy moves more actively towards recovery. TPMIP is strategically located at the confluence of Melaka Straits, Singapore Straits and Johor Straits, making it well placed to capture value-added activities along one of the busiest maritime routes in the world. Coupled with its natural deep water of up to 30 meters and availability of vast tracts of land for future expansion, TPMIP represents an extremely viable and attractive storage and logistical alternative to the land and draft-restricted Singapore.

In the meantime, the Group is actively working on the feasibility study pursuant to the MOU signed between Shanxi Construction Investment Group and our wholly-owned subsidiary, Pengerang Maritime Industries Sdn. Bhd., on the development and execution of the site location plan at Pengerang Maritime Industrial Park (PMIP) for the proposed development of a palm oil biodiesel plant in Malaysia, as well as the technical exchange on the production of second-generation biodiesel and biojet fuel in Malaysia. The feasibility study is expected to take about one year from the signing of the MOU in December 2021.

Questions from shareholders

Shareholder – Lydia Ong Yi Suan

Q1 The Company's stock has small volatility for long period of time. What is the Company doing to enhance its value and to benefit its loyal shareholders?

Ans. While we are continually striving to uncover new avenues to create more value for our Company and hence our shareholders, the movement of our share price is not really within our control. We can, however, categorically state that the prevailing share price grossly undervalues the intrinsic worth of the Company. The validity of our assertion is underscored by the price-to-book metric – the conventional indicator used to value asset-heavy companies with reference to its current share price. Benalec's price-to-book currently stands at [0.24x] times; essentially, this means that for every RM1.00 worth of Benalec's net assets, the market is only ascribing a value of RM0.24. It is also worth noting that the current net asset per share of the Company stands at RM0.46 and this is close to 4.2 times of what our shares are trading at today.

Furthermore, our lands that are part of the Group's inventory are recorded in the lower of cost or market value according to the accounting policies adopted by the Group. There is a substantial difference between the costs incurred by the Company and the current market value of what it is worth. In other words, there is significant revaluation that is unaccounted for even when looking at the book value or net assets of the Company.

Hence, we are unperturbed by the prevailing low price of our shares; in fact, many within the investment fraternity view such undervaluation to be a buying opportunity. We are confident that as long as the Company continues to focus on what it does well in terms of business, as soon as market sentiments improves, it is only a matter of time that a long overdue correction happens and the market value of our shares will align with the intrinsic value of our Company.

Shareholders

Q2 Please reward e-vouchers to shareholders attending this meeting.

Ans. The Company will reward shareholders as it performs better.