

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

Minutes of the Eighteenth Annual General Meeting of the Company conducted virtually through live streaming and online remote voting using remote voting participation and voting facilities via TIIH online website at <https://tiih.online> 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 Thursday, 30 May 2024 at 10.00 a.m.

Present	: En. Fazrin Azwar Bin Md. Nor	Chairman of the meeting
	– Others as per attendance list	
By Invitation	: Dato' Leaw Seng Hai	} Directors
	Mr Kenneth Chin Kah Kiong	
	Ms Leaw Ai Lin	
In Attendance	: Ms Chin Wei Ee	} Chief Financial Officer
	Ms Lim Wei Lee	} Secretary
	Steven Koh Yang Wei	} Auditor

1. QUORUM

On behalf of the Board of Directors of Benalec Holdings Berhad (“the Company” or “BHB”), Encik Fazrin Azwar bin Md. Nor (“the Chairman”), the Independent Non-Executive Chairman of the Company, welcomed all present at the meeting.

He conveyed apologies from Dato' Leaw Seng Hai as he will be arriving late to the meeting and will be joining the meeting shortly.

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 Scrutineer Solutions Sdn. Bhd. (“SSSB”).

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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 6, as tabled at the meeting, required a simple majority of more than 50% votes from the members present in person or by and proxies and voting at the meeting.

The Chairman informed that during the Q&A session, the Company would address the questions electronically in advance by shareholders or proxies, who could also pose questions during the meeting by typing their questions in the query box. Where there are areas of overlap in the scope of the questions asked, the Company would group the related and similar questions and provide the appropriate responses. In the event the Company is 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, SSSB.

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 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 December 2023, 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 2023

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The meeting continued to consider the payment of Directors' fees of RM576,000.00 for the financial year ended 31 December 2023.

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 31 MAY 2024 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 31 May 2024 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 RESOLUTION 3
RE-ELECTION OF ENCIK FAZRIN AZWAR BIN MD. NOR WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 76 OF THE CONSTITUTION OF THE COMPANY

At this juncture, the Chairman handed over the chair of the meeting to Mr Kenneth Chin Kah Kiong ("Kenneth") to conduct resolution 3 pertaining to his (Encik Fazrin's) re-election as Director.

Kenneth proceeded to consider the proposal for Encik Fazrin's who was retiring from the Board pursuant to Clause 76 of the Company's Constitution and being eligible, had offered himself for re-election. Encik Fazrin's profile is available on page 12 of the Annual Report.

Kenneth further informed the shareholders or proxies to leave their questions pertaining to Encik Fazrin's re-election in the query box and the Board would address the questions during the Q&A session later.

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

Kenneth passed the chair back to the Chairman to continue with the remaining items of the agenda.

7. ORDINARY RESOLUTION 4
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 RESOLUTION 5 (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 5 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 5 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.

9. ORDINARY RESOLUTIONS 6 (SPECIAL BUSINESS)
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The Chairman informed that the full text of the proposed Ordinary Resolution 6, 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 6 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.

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.

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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 10.55 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 11.15 a.m. and announced the results of the poll as follows:-

ORDINARY RESOLUTION 1 – DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
114,738,154	99.5892	473,232	0.4108	115,211,386	100.0000

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

“RESOLVED THAT the payment of Directors' fees of RM576,000.00 to the Non-Executive Directors for the financial year ended 31 December 2023 be approved.”

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ORDINARY RESOLUTION 2 – DIRECTORS’ BENEFITS FOR THE PERIOD FROM 31 MAY 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
6,578,154	93.0250	493,232	6.9750	7,071,386	100.0000

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

“**RESOLVED** THAT the payment of Directors’ benefits of up to an aggregate amount of RM50,000.00 for the period from 31 May 2024 until the next Annual General Meeting of the Company to be held in 2025 be approved.”

ORDINARY RESOLUTION 3 – RE-ELECTION OF ENCIK FAZRIN AZWAR BIN MD. NOR

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
115,127,458	99.9098	103,928	0.0902	115,231,386	100.0000

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

“**RESOLVED** THAT Encik Fazrin Azwar bin Md. Nor, retiring pursuant to Clause 76 of the Company’s Constitution and being eligible, be re-elected as Director of the Company.”

ORDINARY RESOLUTION 4 – APPOINTMENT OF MESSRS BDO PLT AS AUDITORS OF THE COMPANY

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
115,127,436	99.9098	103,950	0.0902	115,231,386	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 5 (SPECIAL BUSINESS) – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
111,362,436	96.6508	3,858,950	3.3492	115,221,386	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 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 6 (SPECIAL BUSINESS) – PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

<u>Result On Voting By Poll</u>					
Vote For		Vote Against		Total Votes	
<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
115,117,436	99.9098	103,950	0.0902	115,221,286	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:

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- 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;

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- 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.”

10. CLOSURE

There being no further business, the meeting closed at 11.25 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN OF THE MEETING

Dated:
Minutes of 18th AGM

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NOTES IN RESPECT OF THE QUESTION-AND-ANSWER (“Q&A”) SESSION AT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED VIRTUALLY THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING USING REMOVE VOTING PARTICIPATION AND VOTING FACILITIES VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) 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 THURSDAY, 30 MAY 2024 AT 10.00 A.M.

Questions from Minority Shareholders Watch Group (“MSWG”)

Operational & Financial Matters

Q1 The increase of segment loss was largely due to partial recognition of “Inventories – Land Reclamation Work in Progress”, with a total amounting to RM16.75 million recorded in FY2022, into the current year Statement of Profit or Loss as “Cost of Sales”. There will be temporary timing difference of the recognisable revenue (i.e progress billing certified by customer according to milestones achieved) against the actual cost incurred in the current financial year as these sand stockpile has yet to reach the full satisfaction of such performance obligations under the relevant milestone stated in the contract and there are remaining works to be delivered before such portion of the revenue becomes recognisable. (Page 18 of the AR2023)

- (a) What is the estimated recognisable revenue attributable to the RM16.75 million cost of sales?
- (b) Please provide further clarification on how the timing difference will increase the segment loss in FY2023 if the Group satisfies the performance obligation and recognizes revenue over time.

Ans to Q1

- (a) Different reclamation projects yield different project margins depending on several factors due to the project site profile, including but not limited to the seabed level vis-a-vis to the platform level required by the project, overall contract timeline, accessibility of the project site etc. For this project in which RM16.75 million has been incurred as part of the Cost of Sales, we expect that the project will still yield us 7%-10% project profit margin.
- (b) Prior to the adoption of MFRS 15 in year 2019, all costs incurred were recognised using the “percentage of completion method”, whereby the cost is first capitalised and only charged out as cost of sales, in the same proportion as the progress billing claimed by the Company based on certified surveys of the work performed.

With reference to Note 21 of the financial statements on the recognition of revenue in accordance with Malaysia accounting standards MFRS 15, revenue from contract works whereby settlement is via cash, should be recognised over the contractual period using the “output method”, by reference to the progress towards complete satisfaction of that performance obligation of the asset transfer over time.

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Ans to Q1 (cont) In other words, revenue can only be recognised when the obligation of milestones under the contract (progressively) is achieved to the satisfaction of the customer and is claimable by the Company from the customer. Meanwhile, any cost incurred for the project is charged out directly as cost of sales once possession of site is obtained, regardless of the reclamation progress achieved.

Therefore, such timing difference between revenue versus cost of sales hitting the Profit & Loss of the Company may result in the segment loss currently observed.

Q2 Higher costs incurred in one of the reclamation project in Melaka mainly due to the limited access to the project site, relocation of sand stockpile area, and unexpected settlement at site. The additional cost incurred in the current FY2023 is recoverable in the near term following the agreed incremental rate from the customer. (Page 19 of AR2023)

(a) What is the actual impact on the Group's Profit or Loss for FY2023 due to the higher costs in the Melaka project?

(b) What will be the estimated impact on the Profit and Loss following the incremental rate in FY2024?

Ans to Q2 As reported in the Profit or Loss for FYE2023, the Group has a total gross loss of RM32.47 million, of which RM2.09 million is from the land disposal segment as disclosed in Note 4 of the financial statements, while RM30.38 million is from land reclamation services segment. The latter was mainly contributed by the factors stated under Q1 and Q2 of the MSWG questions, amongst others.

As far as escalation of the total project cost compared to the original cost estimation for the project in question, the agreed incremental rate secured from the customer on the final month of FYE2023 has resulted in an additional variation order of RM21.9 million, which is approximately 31.85% increase to the original contract sum of RM68.78 million. However, this cost escalation is not final until we are able to accurately measure the additional settlement upon fully arresting the settlement issue on-site by installations of geotube and perimeter bund, amongst others, in order to address the unexpected settlement.

As of FYE2023, the outstanding contract sum (including the new variation order) is RM67.42 million. The expected completion of this contract is by Q2 FYE2025, of which we expect to recognise the sales and income arising therefrom progressively (including the new variation order and any additional variation order arising from the settlement issue to be agreed later) throughout FYE2024 until Q2 FYE2025.

Q3 The Group has undertaken land reclamation works at Tanjung Piai Maritime Industrial Park ("TPMIP") and Pengerang Maritime Industrial Park ("PMIP"). As of FY2023, an amount of more than RM425.72 million of development expenditure has been capitalised as land reclamation work-in-progress for both these projects. (Page 19 of AR2023)

(a) What is the current status and percentage of completion of the TPMIP and PMIP projects?

- (b) **No costs were capitalised as Land Reclamation Work in Progress during FY2023. (Page 117 of AR2023). What is the actual site progress of these two projects during the year?**
- (c) **Are the two projects expected to be completed within the stipulated timeframe? If delays are anticipated, what are the reasons?**

Ans to Q3 (a) To-date, around 163 acres of land (out of the 3,478 acres of gross area under the concession) have been reclaimed in TPMIP, whereby a large portion is ready for immediate topside development should the requirement arise.

We have also stock pile measuring approximately 45 acres in PMIP (out of the 1,672.8 acres of gross area under this concession) for immediate reclamation works as soon as the requirement arise.

(b) With the first 100-acre land available for immediate topside development in TPMIP, the Group's intention is to monetise this ready land first, and to adopt a more conservative approach of "sell-then-build" strategy for the land yet to be reclaimed.

(c) Our core business of reclaiming and selling land is extremely capital intensive. Bearing in mind of our resources and financial position, as earlier mentioned, our Group now errs towards conservative approach whereby the aim is to market and monetise our existing ready land first and to adopt the "sell-then-build" strategy for the balance unreclaimed land, wherever possible.

The Management is still engaging with a few prospective leads to explore the suitability and feasibility for both project sites, including but not limited to oil & gas and renewable energy industry. The latest statuses include (a) financial negotiation (b) buyers are still on-going in their due diligence process to reach financial close and/or (c) undergoing feasibility studies prior to final investment decision.

Q4 The Group recorded a loss after taxation of RM62.8 million in FY2023, marking the seventh consecutive year of losses since FY2017. How does the Board intend to address the Group's financial performance moving forward?

Ans to Q4 The main contributors towards the loss of the Group for the current FYE have been explained in the Annual Report as well as part of the earlier questions. These losses are further exacerbated by the one-off written down and impairment of certain assets as disclosed in the Statement of Profit or Loss, page 91 of the Annual Report and their respective notes in the Financial Statements, totalling of RM11.26 million, as well as depreciation & amortisation of a total RM4.98 million.

We have found that the geopolitical instability and high interest rate environment have generally kept prospective investors extremely cautious and conservative about long term commitments, especially when it comes to major investments. Despite the prevailing challenges in the market, the Board and Management remain cautiously optimistic in assessing the Group's outlook.

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Ans to Q4 (cont) We remain confident and continue to believe in the resiliency of our business model as a whole. Benalec continues to focus on the core competencies in marine construction and civil engineering. We recognise the need for profit improvement and more importantly, to generate new recurring revenue and maintain healthy cash flows.

We have been actively pursuing new project opportunities in our areas of expertise while also ensuring the successful completion of ongoing projects. We also endeavour to not stay complacent and have been actively looking out for opportunities with strategic partnerships that are complementary or synergistic to our core businesses for the purpose of diversifying our revenue income stream into a more sustainable and recurring pattern. This initiative will help us leverage additional expertise and resources, ensuring better project execution and minimising financial risks.

In response to the global shift towards green energy and low carbon emissions, Benalec is also actively engaging with potential investors and operators in this sector. We are exploring new business opportunities and initiatives to align our business direction with global environmental goals, future-proofing our company and contributing to a sustainable future.

We are confident that these efforts will position Benalec towards a more sustainable and profitable near future.

Sustainability matters

- 1. In the course of its business activities, Benalec is fully aware of the need to preserve and protect the environments it operates in. It is required to comply with Section 34A of the Environmental Quality Act 1974 and Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015. As such, Benalec work closely with the Department of Environment (“DOE”) to ensure the water pollution and siltation at construction site is kept minimally and below the limit set forth by DOE so as it would not affect the habitat of marine life. (Page 32 of AR2023)**

Given Benalec’s activities efforts to preserve the environment, would the Board consider classifying the environmental aspect of its land reclamation activities as a material sustainability matter and setting relevant targets in the future?

- A.** The Company currently does not have additional internal targets for the environmental aspect of its land reclamation activities, as we have been and will continue to be compliant with the stringent rules and requirements set by relevant authorities, including but not limited to the DOE, as part of the operational standards we continuously adhere to.

As elaborated in our Sustainability Statement under the Environment section, marine water sampling is one of the monitoring efforts undertaken by the Company on a periodic basis. In an example like this, there are existing environmental related targets we are required to comply with as part of our operations.

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Nevertheless, we value the MSWG's feedback as an opportunity to improve our sustainability reporting to share more visibility of our efforts in regards to the environmental impact arising directly from our operations. The Board together with the Management will deliberate on this matter and make the necessary improvements.

Corporate Governance Matters

- 1. The Company has departed from Practice 5.9 of Malaysian Code of Corporate Governance which suggest that the Board comprises at least 30% women directors. The Board currently has one (1) female director among its four (4) members, which represents about 25% of the Board composition (page 27 of CG report).**

Given the current gender disparity on the Board, when does the Board plan to appoint additional female directors?

- A:** With reference to the Bursa Main Market Listing Requirements ("MMLR") paragraph 15.02(1)(b), it is stated that "*a listed issuer must ensure that at least one (1) director of the listed issuer is a woman*". As such, the current composition of the Board is in compliance with the MMLR.

Notwithstanding that, the Board acknowledges the recommended guideline under the Malaysian Code of Corporate Governance ("MCCG") and will work towards adopting the same. It is of utmost priority to the Board that the suitability of a candidate is assessed not just in the form of gender, but also in skills, ethics, experience and expertise as required to achieve an effective Board for the Company.

Question from shareholder

Shareholder – Lee Tat Kwong

Q: Sg is reclaiming a new causeway immigration complex and a huge island on Sg East coast. Are we tendering for these projects?

- A:** Yes, it is known that Singapore is calling for tenders in relation to the new causeway immigration complex projects. Unfortunately, Benalec do not possess Class A license for which we are required if we are to tender reclamation projects in Singapore on our own.

With this in mind, we will likely act as a sub-contractor or form a joint-venture partnership with Singapore's counterpart in order to such secure such reclamation projects in the future.