

MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

RECORD OF PROCEEDINGS OF THE 49TH ANNUAL GENERAL MEETING

BROADCAST VENUE	: BALE CLUB, MULTI-PURPOSE HALL, NO. 1, JALAN POLO, LEISURE FARM, 81560 GELANG PATAH, JOHOR DARUL TAKZIM
ONLINE MEETING PLATFORM	: LUMI AGM PROVIDED BY BOARDROOM SHARE REGISTRARS SDN BHD IN MALAYSIA AT <u>HTTPS://MEETING.BOARDROOMLIMITED.MY</u>
DATE	: THURSDAY, 8 JUNE 2023
TIME	: 2.30 P.M.

1. CHAIRMAN AND OPENING ADDRESS

Mr Loong Caesar (“**the Chairman**”) presided as Chairman of the Annual General Meeting (“**AGM**”) in compliance with Section 327(2) of the Companies Act 2016 which states that the Chairperson must be present at the Broadcast Venue in Malaysia. He welcomed all shareholders and proxies who have logged in to join the AGM and then called the AGM to order. He informed that this virtual AGM was held in line with the *Guidance Note and FAQs on the “Conduct of General Meetings for Listed Issuers”* issued by the Securities Commission Malaysia on 7 April 2022 including any amendment thereto, made from time to time.

The Chairman introduced the members of the Board and the Company Secretary present at the Broadcast Venue and the remaining member of the Board, the Chief Executive Officer (“**CEO**”) and the Head of Finance who were in attendance virtually. He further introduced the external auditors from Messrs KPMG PLT who were in attendance virtually.

2. QUORUM

The Chairman informed that there was sufficient quorum for the AGM based on the confirmation from the Company Secretary.

3. NOTICE OF AGM

The Chairman informed that the notice convening the AGM had been duly sent to all shareholders. The notice was also announced to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 27 April 2023 and advertised in the NST newspaper on 28 April 2023. The notice was tabled and taken as read.

4. PRESENTATION BY CHIEF EXECUTIVE OFFICER

Before the Chairman proceeded with the business of the AGM, he invited the CEO, Mr Gregory David Shaw (“**Mr Shaw**”) to present an overview of the Group’s performance and

strategies to the shareholders and proxies. Mr Shaw presented the Group's financial performance, trading update and future outlook of the Group.

5. **PROCEEDINGS AND POLLING**

The Chairman informed the shareholders and proxies that the voting of resolutions at the AGM would be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. For this purpose, the Chairman exercised his right as Chairman of the Meeting to demand for a poll in accordance with Clause 72 of the Company's Constitution in respect of all the resolutions which would be put to vote at the AGM.

He further informed that the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd ("**Boardroom**") was the appointed Poll Administrator to conduct the electronic polling process and SKY Corporate Services Sdn Bhd was the appointed Scrutineers to verify the poll results.

Boardroom then presented a short video to brief the shareholders and proxies on how to submit questions via the message icon as well as the online voting process.

The Chairman announced that the voting session has been opened at the commencement of the AGM and shareholders and proxies may cast their votes while the AGM was in progress, until the closure of the voting session which he would announce later.

The Chairman proceeded to table all the resolutions in the agenda of the AGM, as follows:

6. **AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon were tabled to the shareholders.

The Chairman informed that the Audited Financial Statements were required to be laid before the shareholders pursuant to Section 340(1)(a) of the Companies Act 2016 and the Audited Financial Statements did not require a formal approval by the shareholders. Hence, it was not put forward for voting.

The Chairman then declared that the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon were received and duly tabled at this AGM.

7. **ORDINARY RESOLUTION 1**

- **Re-election of Mr Lee Eng Leong pursuant to Clause 106 of the Company's Constitution**
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The Chairman tabled Ordinary Resolution 1 on the re-election of Mr Lee Eng Leong who retired by rotation pursuant to Clause 106 of the Company's Constitution. Mr Lee, being eligible, has offered himself for re-election.

8. **ORDINARY RESOLUTION 2**

- **Re-election of Mr Geoffrey Earl Grady pursuant to Clause 106 of the Company's Constitution**
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The Chairman tabled Ordinary Resolution 2 on the re-election of Mr Geoffrey Earl Grady who retired by rotation pursuant to Clause 106 of the Company's Constitution. Mr Grady, being eligible, has offered himself for re-election.

9. **ORDINARY RESOLUTION 3**

- **Re-election of Ms Josephine Phan Su Han pursuant to Clause 89 of the Company's Constitution**
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The Chairman tabled Ordinary Resolution 3 on the re-election of Ms Josephine Phan Su Han who retired pursuant to Clause 89 of the Company's Constitution. Ms Phan, being eligible, has offered herself for re-election. Ms Phan was appointed as Independent Non-Executive Director of the Company on 1 April 2023.

10. **ORDINARY RESOLUTION 4**

- **Payment of Directors' Fees and Benefits**
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The Chairman tabled Ordinary Resolution 4 on the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 9 June 2023 until the conclusion of the next AGM of the Company.

He informed that the benefits payable to the Non-Executive Directors comprised fixed allowance and meeting attendance allowance. Details of the remuneration were set out under Explanatory Note 4 in the Notice of AGM.

11. **ORDINARY RESOLUTION 5**

- **Re-appointment of Messrs KPMG PLT as Auditors**
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The Chairman tabled Ordinary Resolution 5 on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

He informed that Messrs KPMG PLT have indicated their willingness to continue in office for the ensuing year.

12. **ORDINARY RESOLUTION 6**

- **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**
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The Chairman tabled Ordinary Resolution 6, which was to empower the Directors to issue shares in the Company to facilitate capital raising in a timely and cost effective manner. This mandate was sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next AGM.

13. **ORDINARY RESOLUTION 7**

- **Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan**
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The Chairman tabled Ordinary Resolution 7 on the Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan. This authority would be valid until the conclusion of the next AGM of the Company.

14. **ORDINARY RESOLUTION 8**

- **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**
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The Chairman tabled Ordinary Resolution 8 on the Proposed Renewal of Authority for the Purchase by the Company of its Own Shares. This resolution would allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company.

15. **QUESTIONS & ANSWERS SESSION**

With the completion of all the agenda items, the Chairman opened the session for Questions & Answers, and invited shareholders and proxies to submit their questions by using the message icon on the Lumi AGM site until the announcement on the closure of the Questions & Answers session.

The Chairman informed that the Company had received 2 questions from 2 shareholders prior to this AGM which were submitted via the portal of Boardroom. He then read out the questions and invited Mr Shaw and the Executive Director, Mr Lee Eng Leong to provide the Company's responses, as set out below:

- Q1. *Forget about geopolitics, what are the top 3 priorities for next 5 years' business strategy?*

Mr Shaw responded that the top 3 priorities of the Company's business strategy are:

- The first priority would be to continue the expansion of the development pipeline. The Norwest Quarter development project currently comprises 196 apartments but approval has been obtained to complete a total of 694 apartments within the entire development in the next 10-15 years. Mulpha Sanctuary Cove has commenced the development of Harbour One, which would be the first apartment project within Sanctuary Cove. Management was currently looking at further plans in terms of the next stage of development.
- The second priority would be to optimise hotel performance. The Group had invested heavily into the hotel portfolio, particularly at InterContinental Sydney. The hotel had completed its refurbishment and was generating strong cash flow and performance in the recovering market. This priority is to optimise the Group's hotel performance, particularly the hotels in Sydney, Sanctuary Cove and Hayman Island.
- The third priority would be to establish a fund management business. The Company saw opportunities to commence fund management by investing in real estates and take up a 15%-20% interest with third party capital support. There

were many opportunities to grow the overall portfolio but Management was mindful to reduce risks by being the fund manager, managing the assets and receiving fund fees but not taking the full equity exposure on new acquisitions. There are opportunities across a number of potential acquisitions and this business is expected to be an important part of the overall business strategy of the Group.

- Q2. *As shareholders, we would like to see Return on Investment (ROI) for investing and supporting your Company. Please explain the absence of dividend payout all these years. The Company's share Net Tangible Assets ("NTA") is at RM11+, why is the share price not reflective of its actual NTA?*

Mr Lee Eng Leong responded that Management believed that the Company has been enhancing the shareholders' value with optimised utilisation of the Company's funds. The excess funds were utilised for reinvestment into business operations with new projects and services, as well as project redevelopment, asset acquisition and asset upgrading for example, the refurbishment of InterContinental Hotels and the investment in Palmers Lane. In order to improve the Group's debt position, with the rising interest rates, funds have been used to pare down borrowings and hence improving the gearing ratio.

In general, the Company's shares are traded at a discount or premium relative to the Company's NTA and share price changes every day by market forces (i.e. supply and demand). The share price movement is usually an indication of the investors' opinion of the Company. Investors/shareholders are advised not to equate the Company's value with the share price. On page 14 of the Annual Report 2022, the NTA of the Company reflects an increasing trend over the last 4 years and Management strongly believed the Company is moving towards the right strategy.

The Chairman subsequently read out the questions received from shareholders and proxies during the AGM via the message icon on the Lumi AGM site. The questions were addressed by the Chairman and Mr Shaw, as set out below:

- Q1. (a) *How much does the Company spend on this virtual AGM?*

The Chairman responded that the estimated cost for holding this virtual AGM is approximately RM21,000, which was slightly lower than the cost of RM23,000 for last year's virtual AGM.

- (b) *Would the Board kindly give e-wallet as a token of appreciation for attending today's AGM?*

The Chairman responded that there would be no distribution of e-wallets or vouchers to shareholders for attending this virtual AGM on the rationale that the Company has seen fit to reduce its costs and expenses, particularly during this recovery period post Covid pandemic.

- (c) *I would like to request a printed hard copy of the Company's Annual Report.*

The Chairman responded that the printed hard copy of Annual Report would be posted to the shareholder who requested for a printed copy.

- Q2. *Higher finance costs faced by the Group due to multiple interest rates raised by the Reserve Bank of Australia. So, will the Group have any actions to mitigate the interest rate risk? What will be the actions to be taken by the Group to mitigate the high interest rate?*

Mr Shaw responded that the increase in interest rates has been quite a significant cost to the business. Unfortunately, it is very difficult to mitigate this interest rate cost. The Company has been actively undertaking competitive tenders in sourcing for financiers and also minimising interest rate costs, particularly the margin that the Company needs to pay. Management was also developing strong relationship with many bankers while maintaining strong track record of payment. These were the efforts taken by Management to mitigate the interest rate risk by reducing base rates and margins where possible. Management was also actively managing cash within the business. Mulpha has undertaken many major reinvestment programmes within the Group so there would be less need to spend money on major refurbishments such as InterContinental Sydney. Management would be working hard on optimising cash generation and paying down bank borrowings.

- Q3. *Until today any latest updates on the litigations against Mula Holdings Sdn Bhd (“Mula”)? What is the next action plan to be taken by Mulpha against Mula since the Federal Court has dismissed Mula’s leave application?*

The Chairman responded that Mulpha would be looking at pursuing the enforcement of the judgment which was awarded to Mulpha by the Court. Any further material update would be announced to Bursa Malaysia in due course.

- Q4. (a) *May I know, what is the Company’s future outlook?*

Mr Shaw responded that there are uncertainties around the economic outlook, particularly in Australia and around the world, and certainly interest rate hikes have been a significant cost to the business. Overall, Management has confidence in its capability and expertise in the business. Norwest Quarter being one of the largest apartment development projects undertaken for many years, was launched in 2022 and sales were in line with forecasts. Consumers respect and support developers that have been in business for a long time and hence, Mulpha is well placed compared to many other companies in terms of real estate development business. On the real estate investment front, periods of disruption could be challenging for business but they often create investment opportunities and the Company was pleased with its investment through the acquisition of Capri On Via Roma shopping centre in Gold Coast, Australia. Management is hopeful that there would be more good quality investments in future as more companies are facing financial distress. In the resort and hospitality business, there has been greater pressure on consumers due to the rise of interest rates and costs of living. As a result, the demand for resort properties has softened and consumers are more cautious on spending.

Overall, the Company is positive on the future outlook and would continue to see the business growth in the medium term despite the challenging market. There is a range of disruptions happening in the market but the Company is confident that Management has the capabilities to manage the challenges well and the ability to deliver consistent earnings growth through active management and strategic growth initiatives.

(b) *When can we attend the physical meeting?*

The Chairman responded that the Company would continue to conduct virtual AGM by leveraging technology in order to promote wider participation by shareholders at AGM.

(c) *I humbly request the Board to give e-wallet or e-voucher to attendees as a token of appreciation today as the Company is celebrating its 49th anniversary. I believe the token sum is small, manageable and within annual budget expenses.*

The Chairman informed that this question which was posed by another shareholder, has been responded earlier.

Q5. *When will the Board learn to try to be fairer to reward long-term shareholders instead of trying to push them out with the take-over offer price so much below the NTA value of RM11.34 per share especially when the Company makes better earnings?*

For the Unconditional Voluntary Take-Over Offer (“**Offer**”) exercise undertaken last year, the Company had issued an Independent Advice Circular dated 25 October 2022 to all shareholders to provide details of the Offer as well as the independent views and recommendations in relation to the Offer from the Independent Adviser, MainStreet Advisers Sdn Bhd (“**MainStreet**”), which was appointed by the Company. After assessing and evaluating the terms of the Offer, MainStreet and the non-interested directors of the Board concluded that the Offer was not fair and not reasonable. Accordingly, the non-interested directors had recommended that shareholders reject the Offer, as stated in the Independent Advice Circular, but noting that shareholders had the right to either accept or reject the Offer, as the decision rests on the individual risk appetite and specific investment requirements of shareholders.

With no further questions from the shareholders and proxies, the Chairman concluded the Questions & Answers session.

16. **POLLING PROCESS**

The Chairman reminded the shareholders and proxies to cast their votes on all the resolutions via the electronic voting facility, as the voting session would continue for another 10 minutes. He informed that the verification of votes by the Scrutineers would take approximately 15 minutes after the conclusion of the voting session.

The Chairman informed that he has been appointed to act as proxy for a number of shareholders and he would vote in accordance with their instructions given. He then adjourned the AGM at 3.25 p.m. for the polling process, followed by verification of votes by the Scrutineers.

17. **ANNOUNCEMENT OF POLL RESULTS**

Having received the poll results from the Scrutineers, the Chairman called the AGM to be resumed at 3.50 p.m. for the announcement of the poll results, which were based on those shareholders and proxies who were present virtually and have voted. The poll results were compiled by the Poll Administrator, Boardroom and verified by the Scrutineers, SKY Corporate Services Sdn Bhd. Ms Aimee Chong, the representative of SKY Corporate

Services Sdn Bhd, was invited by the Chairman to read out the poll results, which were also projected on the screen as follows:-

	For	%	Against	%
RESOLUTION 1	241,264,072	99.9318	164,724	0.0682
RESOLUTION 2	241,277,172	99.9318	164,624	0.0682
RESOLUTION 3	241,276,202	99.9314	165,594	0.0686
RESOLUTION 4	241,248,369	99.9263	177,974	0.0737
RESOLUTION 5	241,337,169	99.9567	104,627	0.0433
RESOLUTION 6	241,257,085	99.9235	184,711	0.0765
RESOLUTION 7	241,280,938	99.9334	160,858	0.0666
RESOLUTION 8	241,311,448	99.9460	130,348	0.0540

Based on the poll results, the Chairman declared that all the resolutions tabled at the AGM were duly carried. It was RESOLVED as follows:-

(a) **ORDINARY RESOLUTION 1**

- **Re-election of Mr Lee Eng Leong pursuant to Clause 106 of the Company's Constitution**
-

THAT Mr Lee Eng Leong who retired by rotation pursuant to Clause 106 of the Company's Constitution, be hereby re-elected as Director of the Company.

(b) **ORDINARY RESOLUTION 2**

- **Re-election of Mr Geoffrey Earl Grady pursuant to Clause 106 of the Company's Constitution**
-

THAT Mr Geoffrey Earl Grady who retired by rotation pursuant to Clause 106 of the Company's Constitution, be hereby re-elected as Director of the Company.

(c) **ORDINARY RESOLUTION 3**

- **Re-election of Ms Josephine Phan Su Han pursuant to Clause 89 of the Company's Constitution**
-

THAT Ms Josephine Phan Su Han who retired pursuant to Clause 89 of the Company's Constitution, be hereby re-elected as Director of the Company.

(d) **ORDINARY RESOLUTION 4**

- **Payment of Directors' Fees and Benefits**
-

THAT the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 9 June 2023 until the conclusion of the next AGM of the Company, be hereby approved.

(e) **ORDINARY RESOLUTION 5**

- **Re-appointment of Messrs KPMG PLT as Auditors**
-

THAT Messrs KPMG PLT be hereby re-appointed as Auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration.

(f) **ORDINARY RESOLUTION 6**

• **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

THAT subject always to the Companies Act 2016 (“**the Act**”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act:

- (a) to issue and allot new shares in the Company; and/or
- (b) to grant rights to subscribe for shares in the Company; and/or
- (c) to convert any security into shares in the Company; and/or
- (d) to allot shares under an agreement or option or offer,

at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of new shares issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months, does not exceed 10% of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) (“**10% General Mandate**”).

THAT such approval of the 10% General Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new shares on the Main Market of Bursa Securities.

AND THAT the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient (including executing such documents as may be required) in order to give full effect to the 10% General Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

(g) **ORDINARY RESOLUTION 7**

• **Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan**

THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 27 June 2011 and renewed at the AGM held on 9 June 2022, the Directors be and are hereby authorised to issue and allot new ordinary shares in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next AGM of the Company, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company.

THAT the Directors and the Secretary be and are hereby authorised to do all such acts and enter into all such transactions, agreements, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or at the discretion of the Directors in the best interest of the Company.

(h) **ORDINARY RESOLUTION 8**

• **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

THAT subject to compliance with the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:

- (i) the conclusion of the next AGM of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividends and/or subsequently cancel them or such other manner as may be allowed under the Act and the Main Market Listing Requirements of Bursa Securities.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.

18. **CONCLUSION**

The AGM was declared closed by the Chairman at 4.00 p.m. The Chairman thanked all shareholders and proxies for their participation in the virtual AGM.