

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

MINUTES OF THE THIRTY-FOURTH ANNUAL GENERAL MEETING ("**34TH AGM**") OF EKSONS CORPORATION BERHAD ("**EKSONS**" OR "**THE COMPANY**") HELD AT LA HOTEL, JALAN ST. PATRICK (OFF JALAN BELUNU), 91033 TAWAU, SABAH ON THURSDAY, 19 SEPTEMBER 2024 AT 10:30 A.M.

- DIRECTORS PRESENT** : Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain
Dato' Philip Chan Hon Keong
Encik Nik A. Majid Bin Mohd. Kamil
Ms. Hew Mei Ying (Elaine)
Mr. Sui Uh Hing
- MEMBERS** : As per Attendance List
- PROXYHOLDERS** : As per Attendance List
- BY INVITATION** : As per Attendance List
- IN ATTENDANCE** : Mr. Lim Lih Chau (*Company Secretary*)

CHAIRMAN

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain ("**Tan Sri Chairman**") presided as Chairman. Tan Sri Chairman welcomed all present to the Meeting and thanked all for their participation of the Meeting.

Tan Sri Chairman then introduced the Directors and the Company Secretary who were in attendance to the floor.

Tan Sri Chairman extended the apologies from Mr. Tay Hua Sin ("**Mr. Tay**"), who was unable to attend the 34th AGM.

QUORUM

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

PROCEEDINGS

Tan Sri Chairman informed all present that only members whose names appeared in the Record of Depositors on 12 September 2024 were eligible to attend the Meeting.

Tan Sri Chairman informed that the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") had made it mandatory for poll voting for any resolution set out in the notice of general meeting. Hence, all the resolutions as set out in the Notice of the 34th AGM would be voted by poll.

Tan Sri Chairman thereafter exercised his rights as the Chairman of the Meeting pursuant to Section 330 of the Companies Act 2016, demanded that a poll be conducted for the resolutions which were put forth for voting at the Meeting to demonstrate shareholder democracy of one-share one-vote.

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

Tan Sri Chairman then invited the Company Secretary to give an overview of the process of poll voting.

Mr. Lim Lih Chau ("**Mr. Lim**"), the Company Secretary briefed all present on the proceedings of the Meeting.

Tan Sri Chairman briefed the Meeting that there was no legal requirement for a proposed resolution to be seconded and informed that the voting process for all the resolutions set out in the Notice of the Meeting would be carried out after the discussion of all agenda items of the Meeting.

NOTICE OF MEETING

The Notice convening the Meeting dated 26 July 2024 having been circulated within the prescribed period, with the permission of the Meeting, was taken as read.

LETTER FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

Prior to the deliberation of the items in the Agenda of the 34th Annual General Meeting, Tan Sri Chairman informed the Meeting that the Company had received a letter from MSWG dated 12 September 2024 requesting the Company to respond to the questions raised by the MSWG at the Meeting. At this juncture, Tan Sri Chairman invited Dato' Philip Chan Hon Keong ("**Dato' Philip**"), the Group Managing Director of the Company to present and respond the questions raised from MSWG.

Dato' Philip thanked the Chairman and presented the queries and responses to the Meeting ("**Responses**"). The details of which are annexed hereto as "**Annexure A**".

The Meeting noted that a formal reply to the letter from the MSWG would be sent to MSWG after the Meeting.

Upon presentation from Dato' Philip, Questions from Encik Norhisam bin Sidek, the representative from MSWG, were raised during the Meeting, as follows:-

Question	Response
1. What was the reason for Mr. Tay's absence?	Dato' Philip responded that Mr. Tay had prior commitments and was unable to attend the AGM.
2. Is the Group's future focus on the Property division?	Dato' Philip replied that the Group is actively exploring new core businesses. He mentioned that the Group owns a piece of land in Seremban 3 but is hesitant to develop it at this time due to the state government's policy requiring a high proportion of affordable housing in each property development project which rendered the development less feasible. He

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Question	Response
	further mentioned that Management had received several business proposals and would assess their feasibility.
3. What is the likelihood of selling the remaining unsold units at The Atmosphere?	Dato' Philip explained that Management is working to increase the current occupancy rate at The Atmosphere, and once occupancy improves, the remaining unsold units would be easier to sell.
4. Was Mr. Sui's appointment aimed at securing the best price for the Timber (Plywood) division's remaining inventories?	Dato' Philip clarified that Mr. Sui is a valuable member of the Management team. Although Mr. Sui had stepped down as Executive Director for personal reasons in the past, his contributions have always been appreciated by Management. With his return, Management is pleased, and with his broad business experience, not limited to the timber (plywood) industry, will be greatly valued by the Board and Management.
5. Will there be an impairment on the Timber (Plywood) division's inventories?	Dato' Philip stated that Management would need to closely monitor plywood prices and market demand moving forward. A decision on whether an impairment is necessary will be made by the end of the financial year 2025.

There being no other questions raised, the Meeting proceeded to the next item on the Agenda.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

Tan Sri Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2024 ("**AFS 2024**") together with the reports of the Directors and the Auditors thereon.

The Meeting noted that the Directors' Report and Audited Financial Statements were available in the Company's 2024 Annual Report, which has been submitted to Bursa Securities and uploaded onto the Company's corporate website on 26 July 2024.

As there were no questions raised from the shareholders and in view that the first item on the Agenda was only meant for discussion pursuant to Section 340(1)(a) of the Companies Act 2016 and shall not be put forward

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for voting, Tan Sri Chairman declared that the AFS 2024 together with the Reports of the Directors and Auditors thereon, be received.

2.0 APPROVAL OF THE PAYMENT OF DIRECTORS' FEES PAYABLE TO THE DIRECTORS OF THE COMPANY AMOUNTING TO RM325,320/- IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2024

Tan Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' fees payable to the Directors of the Company amounting to RM325,320/- (*Ringgit Malaysia: Three Hundred Twenty-Five Thousand Three Hundred Twenty*) only in respect of the financial year ended 31 March 2024.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

3.0 APPROVAL OF THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM19,000/- FROM THE CONCLUSION OF THE AGM UNTIL THE NEXT AGM OF THE COMPANY

Tan Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits payable up to an amount of RM19,000/- (*Ringgit Malaysia: Nineteen Thousand*) only from the conclusion of the AGM until the next AGM of the Company.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

4.0 RE-ELECTION OF DATO' PHILIP CHAN HON KEONG WHO WAS RETIRING IN ACCORDANCE TO CLAUSE 23.3 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION

Tan Sri Chairman informed the Meeting that the next item on the Agenda was to re-elect Dato' Philip Chan Hon Keong who was retiring pursuant to Clause 23.3 of the Company's Constitution, and being eligible for re-election, has offered himself for re-election.

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

5.0 RE-ELECTION OF MS. HEW MEI YING WHO WAS RETIRING IN ACCORDANCE TO CLAUSE 23.3 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HERSELF FOR RE-ELECTION

Tan Sri Chairman informed the Meeting that the next item on the Agenda was to re-elect Ms. Hew Mei Ying who was retiring pursuant to Clause 23.3 of the Company's Constitution, and being eligible for re-election, has offered herself for re-election.

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

6.0 RE-ELECTION OF MR. SUI UH HING WHO WAS RETIRING IN ACCORDANCE TO CLAUSE 23.12 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION

Tan Sri Chairman informed the Meeting that the next item on the Agenda was to re-elect Mr. Sui Uh Hing who was retiring pursuant to Clause 23.12 of the Company's Constitution, and being eligible for re-election, has offered himself for re-election.

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

7.0 RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

Tan Sri Chairman informed that the next item on the Agenda was to re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Crowe Malaysia PLT had expressed their willingness to continue in office as Auditors of the Company.

The Meeting noted that the Audit Committee and the Board of Directors had reviewed Crowe Malaysia PLT's performance as Auditors of the Company for the past financial year and were satisfied with their effectiveness and performance as External Auditors of the Company.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

SPECIAL BUSINESS

8.0 ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

Tan Sri Chairman informed that the next Agenda was a special business to approve the Ordinary Resolution in respect of the Authority to issue shares pursuant to the Companies Act 2016.

The Meeting was informed that this general mandate would provide flexibility to the Board of Directors to issue and allot shares of up to ten per centum (10%) of the share capital of the Company at any time, without convening a general meeting for any possible fund-raising

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activities and placement of shares. If approved, this authority would be valid, unless earlier revoked or varied by the shareholders of the Company in a general meeting, until the next AGM.

The proposed adoption of this resolution is to enable the Directors of the Company to issue and allot new ordinary shares, not exceeding at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost consuming to organise a general meeting merely for such purposes.

There being no questions raised, the Meeting proceeded to the next item on the Agenda.

9.0

ORDINARY RESOLUTION

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

Tan Sri Chairman informed that the next item on the Agenda was to seek shareholders' approval on the Proposed Renewal of Share Buy-Back Authority.

The proposed adoption of this Ordinary Resolution would allow the Board of Directors to exercise the power of the Company to purchase not more than 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated provided that the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company.

There being no questions from the floor, Tan Sri Chairman proceeded to the next item on the Agenda.

10.0

ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at the Meeting of which due notice had been given.

POLLING PROCESS

There being no further questions received, Tan Sri Chairman declared that the registration for attendance at the Meeting be closed at 11:00 a.m. to facilitate the conduct of a poll. The Meeting was briefed on the procedure on the conduct of a poll.

The Meeting was adjourned at 11:07 a.m. for shareholders and proxyholders to cast their votes by poll.

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ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:09 a.m. The results of the poll were duly verified by the Independent Scrutineer, Messrs. Shim Pang & Co.

Mr. Lim, the Company Secretary announced the results of the poll voting were as follows:-

Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
<u>Resolution 1</u> To approve the payment of Directors' fees payable to the Directors of the Company amounting to RM325,320/- in respect of the financial year ended 31 March 2024	108,272,932	100.00	0	0.00
<u>Resolution 2</u> To approve the payment of Directors' benefit payable up to an amount of RM19,000/- from the conclusion of the AGM until the next AGM of the Company	108,272,932	100.00	0	0.00
<u>Resolution 3</u> To re-elect Dato' Philip Chan Hon Keong who is retiring in accordance with Clause 23.3 of the Company's Constitution	108,272,932	100.00	0	0.00
<u>Resolution 4</u> To re-elect Ms. Hew Mei Ying who is retiring in accordance with Clause 23.3 of the Company's Constitution	108,272,932	100.00	0	0.00
<u>Resolution 5</u> To re-elect Mr. Sui Uh Hing who is retiring in accordance with Clause 23.12 of the Company's Constitution	108,272,932	100.00	0	0.00
<u>Resolution 6</u> To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to	108,272,932	100.00	0	0.00

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Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
authorise the Directors to fix their remuneration				
<u>Resolution 7</u> Authority to issue shares pursuant to the Companies Act 2016	108,272,831	99.9999	101	0.0001
<u>Resolution 8</u> Proposed Renewal of Share Buy-Back Authority	108,272,831	99.9999	101	0.0001

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

RESOLUTION 1

"That the payment of Directors' fees amounting to RM325,320/- in respect of the Financial Year Ended 31 March 2024 be and is hereby approved."

RESOLUTION 2

"That the payment of Directors' benefit payable up to an amount of RM19,000/- from the conclusion of the AGM until the next AGM of the Company be and is hereby approved."

RESOLUTION 3

"That Dato' Philip Chan Hon Keong who retired in accordance with Clause 23.3 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 4

"That Ms. Hew Mei Ying who retired in accordance with Clause 23.3 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 5

"That Mr. Sui Uh Hing who retired in accordance with Clause 23.12 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

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RESOLUTION 6

"That the retiring Auditors, Crowe Malaysia PLT be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be given for the Directors to fix their remuneration."

RESOLUTION 7

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Securities and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;*

***THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;*

***AND THAT** pursuant to Section 85 of the Act to be read together with Clause 8.1 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to this mandate;*

***AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."*

RESOLUTION 8

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

*"**THAT**, subject to the Act, the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:*

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and*
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest*

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unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) to cancel all the shares so purchased; and/or
- (ii) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
- (iii) to retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

CONCLUSION

Chairman concluded the Meeting at 11:18 a.m. and thanked all present for their attendance.

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

Operational & Financial Matters

1. Operational & Financial Matters

Question 1:

The Plywood division has in its inventory RM16.1 million of plywood as at 31 March 2024, and these inventories will continue to be sold into the foreseeable future, with the expectation of beyond a one (1) year period (Page 11 of AR2024)

- (a) Is the Group seeking buyers to clear its existing RM16.1 million plywood inventory?

The Group keeps in constant contact with its existing customer portfolio and continues to establish relationships with potential buyers. As the prices of plywood are currently depressed due to weak global demand from the export markets, sales will only be concluded on pricing which does not lead to losses.

- (b) The previous annual report stated that the entire Tawau factory was leased out with a base monthly rent of RM25,000 plus additional variable rent. What was the actual rental income received during FY2024?

The actual rental income received during financial year 2024 was RM300,000.00

- (c) What is the status of the Sibuluan Factory? Has the Group leased it out as well?

The Group has been sourcing potential tenants and buyers for the Sibuluan Factory. However, no prospective tenant nor buyer have been identified as yet.

Question 2

The Plywood division's loss after taxation was RM8.8 million, a 17% improvement from the loss of RM10.6 million in the previous financial year (Page 11 of AR2024)

- (a) Given that the annual base rent of RM300,000.00 is insufficient to cover the fixed costs, does the Group anticipate the plywood division will continue to incur losses?

The Plywood division's performance will be dependent on the sale prices of the plywood. Based on the current prices of plywood, it will be a challenge to generate a profit for the plywood division for financial year 2025.

- (b) Is the Group planning to monetise the factories and equipment to mitigate the ongoing losses?

The option to monetise the factories and equipment is an option for the Group when there are reasonable offers on a willing buyer and

willing seller basis to be received by the Group for its factories and equipment.

Question 3

The property development division's revenue decreased by 68% in the current financial year from RM35.2 million to RM11.2 million (Page 12 of AR2024).

How many units completed properties were sold in FY2024 for Affiniti Residence and the Atmosphere, respectively?

The property development division's revenue was contributed from the sale of nine (9) completed units of Affiniti Residence.

Question 4

As of the end of FY2024, the Group's short-term investment securities, short-term deposits, cash and bank balances amount to RM283.74 million, accounting for approximately 68% of its total assets of RM418.32 million. This brings the Group close to triggering the Cash Criterion under Paragraph 8.03 of Bursa Securities Main Market Listing Requirements, potentially classifying it as a Cash Company.

- (a) Does the Group have any strategic plans to reinvest its cash reserves in acquiring a new core business, given the cessation of plywood operations and the need for new project launches since 2018?

The Group is in the midst of reviewing potential new core business, besides assessing the viability of the development of Seremban 3.

- (b) If there are no immediate plans for acquisition, will the Board consider distributing additional dividends to return excess cash to shareholders?

The Group's priority is to acquire new businesses or to invest in property development if conditions are favorable. Distribution of dividends will be considered as part of the strategy of running a sustainable company.

Corporate Governance Matters

1. Please elaborate on the rationale behind reappointing Mr. Sui Uh Hing, a former director of the Company with extensive experience in the timber industry, as an executive director, especially given that the Group has ceased its plywood operations. What role does he play in daily operations, and how does the Group leverage his experience?

Mr. Sui Uh Hing, being the Executive Director of plywood operations, oversees the sales of plywood inventory of RM16.1 million. With Mr. Sui Uh Hing extensive experience in the Company and the timber industry, Mr. Sui is the best candidate in sourcing potential tenants and buyers of the plywood factories, and able to offer valuable insights on potential tenants and buyers of the plywood factories and equipment.

2. The Company has not adopted Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG), which advocates that the Board comprise at least 30%

women directors. The Board currently has two (1) female directors among its six (6) members, representing 17% of the Board's composition.

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

The Board is considering board appointments through its nomination committee, believes in merit and provides equal opportunity to candidates with skills, experience, commitment, including time commitment, core competencies and other qualities, regardless of gender, ethnicity and age.

The Board does not have a specific policy on setting terms for female participation at the Board. Nevertheless, the Board is committed to provide fair and equal opportunities through its nomination committee in considering gender diversity to achieve optimum board composition. If a vacancy arises and a suitably qualified candidate is available, the Board will consider increasing female participation on the Board and will take steps towards formalising such policy targets and measures to reflect the Company's commitment towards gender diversity.