

## **GADANG HOLDINGS BERHAD**

Registration No. 199301023376 (278114-K)

Minutes of the Thirtieth (30<sup>th</sup>) Annual General Meeting (“AGM” or the “Meeting”) of Gadang Holdings Berhad (“Gadang” or the “Company”) held as a fully virtual meeting conducted through live streaming and remote voting using the remote participation and voting facilities at the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its of TIIH Online website at <https://tiih.online> (Domain registration number with MYNIC: D1A282781) on Wednesday, 8 November 2023 at 10.00 a.m.

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### **PRESENT:**

|  |   |
|--|---|
| Tan Sri Dato’ Seri Dr Mohamed Ismail Bin Merican | - <i>Chairman of the Board</i>                            |
| Tan Sri Dato’ Kok Onn                            | - <i>Group Managing Director</i>                          |
| Ms Kok Pei Ling                                  | - <i>Executive Director &amp; Chief Financial Officer</i> |
| Mr Huang Shi Chin                                | - <i>Senior Independent Non-Executive Director</i>        |
| Mr Sherman Lam Yuen Suen                         | - <i>Independent Non-Executive Director</i>               |
| Ms Wong Ping Eng                                 | - <i>Independent Non-Executive Director</i>               |

### **IN ATTENDANCE:**

|                          |                              |
|--------------------------|------------------------------|
| Ms Tan Seok Chung, Sally | }                            |
| Ms Tan Shim Chieng       | } <i>Company Secretaries</i> |

### **BY INVITATION:**

#### **Auditors**

|                   |                             |
|-------------------|-----------------------------|
| Mr Chin Kit Seong | }                           |
| Mr Lau Wei Choong | } <i>Crowe Malaysia PLT</i> |

#### **Members of Key Management**

|                    |   |
|--------------------|---|
| Mr Khew Check Kiet | - <i>Managing Director of Construction Division</i> |
| Mr Yu Kang Huai    | - <i>Managing Director of Property Division</i>     |
| Mr Foo Meing Yong  | - <i>Managing Director of Utilities Division</i>    |
| Mr Liew Swee Kong  | - <i>Director of Yi Sheng Foundation Pte Ltd</i>    |

### **MEMBERS AND PROXIES PRESENT:**

171 members and 24 proxies (excluding Directors and Secretaries)

### **CORPORATE REPRESENTATIVE:**

1 from the Minority Shareholders Watch Group, represented by Encik Norhisam Bin Sidek

## **1.0 WELCOME ADDRESS BY THE CHAIRMAN**

Tan Sri Dato’ Seri Dr Mohamed Ismail Bin Merican took the chair and he welcomed all the members and proxies to the Company’s 30<sup>th</sup> Annual General Meeting.

The Chairman informed that the AGM was conducted through the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd and the fully virtual AGM was in line with Section 327 of the Companies Act, 2016, Clause 62 of the Company’s Constitution and the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia.

The Chairman then proceeded to introduce the members of the Board of Directors (“Board”), the Company Secretaries, representatives from Crowe Malaysia PLT, the External Auditors and the key management team of the Group.

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### **2.0 QUORUM**

The Secretaries confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.00 a.m.

### **3.0 NOTICE**

It was noted that the notice of AGM was given to the members more than 28 days before the meeting.

With the consent of the members present, the Notice convening the Meeting having been issued and circulated within the prescribed period was with the permission of the Meeting taken as read.

### **4.0 VOTING PROCEDURES**

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Clause 75 of the Company's Constitution, all the resolutions set out in the notice of the meeting must be voted by way of poll.

The Chairman further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") as Poll Administrator to conduct the polling process by way of electronic voting, and Coopers Professional Scrutineers Sdn Bhd ("**Coopers**") as the Independent Scrutineers to verify the poll results.

The representative of Tricor, the Poll Administrator, then briefed the Meeting on the voting procedures through the Remote Participation and Voting ("**RPV**") application.

The Chairman also informed the members, corporate representatives and proxies present virtually at the Meeting of their rights to raise questions in real-time during the Meeting by using the Query Box in the RPV application. Questions submitted during the Questions & Answers ("**Q&A**") session would be responded to after dealing with all the Agenda items of the Meeting. The voting on the resolutions could also be done at any time during the Meeting until the closure of the voting session.

The Chairman then proceeded to deal with the businesses of the AGM.

### **5.0 AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS**

The Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 May 2023 together with the Directors' and Auditors' Reports.

The Audited Financial Statements were for discussion only and did not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, this item was not put for voting.

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The Chairman then declared that the Company's Audited Financial Statements for the year ended 31 May 2023 together with the Directors' and Auditors' Reports as received and duly tabled at the AGM.

At the invitation of the Chairman, Ms Kok Pei Ling ("**Ms Kok**"), the Executive Director & Chief Financial Officer ("CFO"), gave a brief presentation on the Group's performance for the year and its business outlook. The presentation covered the following areas:

- Group Financial Performance
- Awards and Recognition
- Achievements
- Group's Businesses
- Outlook and Prospects

Ms Kok also shared with the shareholders, the Company's responses to the queries raised by the Minority Shareholders Watch Group ("MSWG") in their letter dated 6 October 2023 about operational and financial matters. The questions raised by MSWG and the responses by the Company are set out in **Appendix 1**.

The Chairman reiterated that all shareholders and proxies could raise questions by typing in the query box. The Board would address the questions during the Q&A session later.

The Chairman then proceeded to table all the resolutions to be considered at the Meeting, which would be put to vote by poll via the online remote voting facility.

### **6.0 DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 MAY 2024**

**Resolution 1** was to approve the payment of Directors' Fees of RM370,000 for the financial year ending 31 May 2024, to be made payable quarterly in arrears, after each quarter of the completed service of Directors.

### **7.0 BENEFITS PAYABLE TO THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Chairman informed that pursuant to Section 230(1) of the Companies Act, 2016 which came into force on 31 January 2017, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

In this respect, **Resolution 2** was to approve the payment of benefits payable to the Independent Non-Executive Directors of the Company up to an amount of RM150,000 for about 12 months, from 9 November 2023 until the next Annual General Meeting of the Company in the year 2024. The details of the benefits are disclosed in Note B of the Notice of Meeting.

The Chairman informed that the interested Directors would abstain from voting on **Resolutions 1 and 2**.

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### **8.0 RE-ELECTION OF DIRECTORS**

The Chairman proceeded with **Resolutions 3 and 4** on the re-election of Tan Sri Dato' Kok Onn and Mr Huang Shi Chin. They were retiring under Clause 108 of the Company's Constitution.

Being eligible, they had offered themselves for re-election.

It was noted that the performance of each Director who was subject to re-election had been assessed through the Board's annual evaluation, and the Board had endorsed the recommendation of the Nomination & Remuneration Committee to re-appoint all the retiring Directors.

### **9.0 RE-APPOINTMENT OF AUDITORS**

**Resolution 5** was in relation to the re-appointment of Crowe Malaysia PLT ("**Crowe Malaysia**") as Auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman informed that the retiring Auditors, Crowe Malaysia had expressed their willingness to continue in office and the Board had endorsed the recommendation of the Audit Committee for Crowe Malaysia to be re-appointed as Auditors.

### **10.0 SPECIAL BUSINESS**

#### **Authority to issue shares under Sections 75 and 76 of the Companies Act, 2016**

The Chairman informed that **Resolution 6** under special business was to allow the Directors to issue new shares of up to 10% of the issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

This mandate, if granted at this AGM, unless revoked or varied by the Company in a general meeting, would expire at the conclusion of the next AGM of the Company.

### **11.0 SPECIAL BUSINESS**

#### **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

**Resolution 7** was about the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

The Chairman informed that the interested Directors, interested major shareholders and any other persons connected with them would abstain from voting on this resolution.

### **12.0 ANY OTHER BUSINESS**

The Chairman informed that item 8 of the agenda was to transact any other business for which due notice had been given. Upon confirmation with the Secretaries that there was no other business to be transacted, the meeting proceeded to address the questions that were received prior to the Meeting, and those received via the online query box during the Meeting.

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**13.0 QUESTIONS AND ANSWERS (Q&A) SESSION**

The Chairman informed that the questions received would not be answered in any particular sequence in relation to the agenda. It would be moderated to avoid repetition, and also be summarised.

The Chairman then invited the Executive Director & Chief Financial Officer, Ms Kok Pei Ling (Ms Kok) to take the meeting through the Q&A session.

Ms Kok read out the questions received from the shareholders prior to the Meeting and the Company's responses were shown on the screen. Thereafter, she addressed the real-time questions received.

The salient questions raised by the shareholders, both pre-AGM and real-time, together with the Company's responses as answered by Ms Kok, on behalf of the Company during the AGM, are set out in **Appendix 2**.

After having addressed the questions raised, Ms Kok handed over the Meeting to the Chairman.

**14.0 POLLING PROCESS**

The Chairman then declared the Q&A session closed at 10.46 a.m. For the questions that were not addressed during the Q&A session, the Chairman informed that responses to those questions would be emailed to the shareholders and/or posted on the Company's website after the AGM.

The Chairman then reminded the shareholders to cast their votes if they had not submitted earlier. He announced that the online remote voting session would continue for another 10 minutes.

Meanwhile, the tutorial video to guide shareholders on how to cast their vote via Tricor's online remote voting prepared by Tricor was played on the screen.

After 10 minutes at 10.57 a.m., the Chairman announced that the voting session had ended.

The Chairman then declared the Meeting adjourned for the verification process by Tricor (as Poll Administrators) and Coopers (as Independent Scrutineers), which would take approximately 25 minutes to complete.

**15.0 ANNOUNCEMENT OF POLL RESULTS**

The AGM re-convened at 11.27 a.m. and the Chairman called the Meeting to order to declare the poll results. The poll results were displayed on screen for the members' information as follows:

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| Resolutions   | Vote For      |        | Vote Against  |       |
|---|---------------|--------|---------------|-------|
|   | No. of shares | %      | No. of shares | %     |
| <b>Ordinary Resolution 1</b><br><br>To approve the payment of Directors' Fees of RM370,000 for the financial year ending 31 May 2024, to be made payable quarterly.   | 207,170,993   | 99.921 | 163,864       | 0.079 |
| <b>Ordinary Resolution 2</b><br><br>To approve the payment of benefits payable to the Independent Non-Executive Directors of the Company up to an amount of RM150,000 from 9 November 2023 until the next AGM of the Company. | 207,158,716   | 99.915 | 176,141       | 0.085 |
| <b>Ordinary Resolution 2</b><br><br>To re-elect Tan Sri Dato' Kok Onn who retires by rotation pursuant to Clause 108 of the Company's Constitution and being eligible, has offered himself for re-election.                   | 14,641,205    | 99.415 | 86,199        | 0.585 |
| <b>Ordinary Resolution 4</b><br><br>To re-elect Mr Huang Shi Chin who retires by rotation pursuant to Clause 108 of the Company's Constitution and being eligible, has offered himself for re-election.                       | 207,255,658   | 99.956 | 92,199        | 0.044 |
| <b>Ordinary Resolution 5</b><br><br>To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 May 2024 and to authorise the Directors to fix their remuneration.                           | 206,899,895   | 99.692 | 639,762       | 0.308 |

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| Resolutions   | Vote For      |        | Vote Against  |       |
|---|---------------|--------|---------------|-------|
|   | No. of shares | %      | No. of shares | %     |
| <b>Ordinary Resolution 6</b><br><br>To grant the Directors the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.                   | 207,284,013   | 99.874 | 260,644       | 0.126 |
| <b>Ordinary Resolution 7</b><br><br>To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. | 12,696,087    | 99.042 | 122,817       | 0.958 |

Based on the poll results verified by the Scrutineers, the Chairman declared all resolutions tabled at the AGM as carried.

Therefore, IT WAS RESOLVED:-

- **ORDINARY BUSINESS**

“**THAT** the payment of Directors’ Fees of RM370,000 for the financial year ending 31 May 2024, to be made payable quarterly.”

(Ordinary Resolution 1)

“**THAT** the payment of benefits payable to the Independent Non-Executive Directors of the Company up to an amount of RM150,000 from 9 November 2023 until the next AGM of the Company.”

(Ordinary Resolution 2)

“**THAT** Tan Sri Dato’ Kok Onn, who retires by rotation pursuant to Clause 108 of the Company’s Constitution and being eligible, be and is hereby re-elected as Director of the Company.”

(Ordinary Resolution 3)

“**THAT** Mr Huang Shi Chin, who retires by rotation pursuant to Clause 108 of the Company’s Constitution and being eligible, be and is hereby re-elected as Director of the Company.”

(Ordinary Resolution 4)

“**THAT** Crowe Malaysia PLT be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 May 2024 at a remuneration to be fixed by the Directors.”

(Ordinary Resolution 5)

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**SPECIAL BUSINESS**

**• AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

“**THAT**, pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total issued shares of the Company (“New Shares”) for the time being (“Authority”) and that the Directors be and are hereby also empowered to obtain approval for the listing of and quotation for the New Shares so issued on Bursa Malaysia Securities Berhad, subject always to the approvals of the relevant regulatory authorities;

AND THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Clause 55 of the Company’s Constitution, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued under the Authority.”

(Ordinary Resolution 6)

**• PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (“Gadang Group”) to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 26 September 2023 (“Circular”) with the related parties listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;

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

- a. the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;
- b. the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c. revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier;



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AND THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.”

(Ordinary Resolution 7)

**16.0 CONCLUSION**

There being no other business to be transacted, the Chairman concluded the meeting and thanked all present for their attendance. The Meeting ended at 11.35 a.m.

CONFIRMED AS A CORRECT RECORD,

-SIGNED-

CHAIRMAN

Dated: 28 November 2023

**Responses to the queries raised by Minority Shareholder Watch Group in their letter dated 6 October 2023**

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Operational /Financial Matters

**Q1. Construction Division**

The Construction Division recorded a revenue of RM249.1 million (FYE 2022: RM319.9 million), a decline of 22.1% compared with the previous financial year, mainly due to the completion of major projects in the previous financial year and lower contribution from most of the newly secured projects, which were still at the initial stages of construction progress. The Division recorded a loss before tax of RM41.0 million compared with a profit before tax of RM4.2 million in the preceding year mainly due to:

- a) a one-off impairment loss on goodwill of RM5.8 million in relation to a Singapore subsidiary company.
- b) prolongation costs due to the extension of time in existing construction projects.
- c) higher share of losses in a joint venture company due to the provision for liquidated ascertained damages (LAD) of RM3.2 million.
- d) impairment of investment and amount owing by a joint venture company of RM3.7 million due to negative shareholders' fund as a result of the provision for LAD mentioned in (c) above.

(Page 24 of the Annual Report 2023/AR2023)

- i. **How does the Board plan to address the financial performance of the Division? What are the immediate measures taken to improve the financial result of the Division?**

The Division will be focusing on the execution and the timely completion of all ongoing projects in order to improve the overall cost efficiencies of its operation. The Division is also looking into opportunities in East Malaysia as the Division recognises the region's potential for new construction job opportunities in the near to medium term, based on the state and national development policies as announced under Budget 2024.

- ii. **Will any of the abovementioned factors, such as prolongation costs, etc., adversely impact the Division's performance in FYE 2024? If so, to what extent will it affect the Division's performance?**

The Division will focus on the timely completion of all ongoing projects. We are not able to ascertain any further prolongation costs at this juncture.

- iii. **What is the update on all the Division's ongoing projects?**

TRX Tunnel, TRX Public Realm and ECRL projects are expected to be completed in FYE 2024, Rapid Transit System (RTS) and Central Spine Road (CSR) 2B projects in FYE 2026 and Institut Perubatan Forensik Negara (IPFN) project in FYE 2027.

- iv. **Does the Division expect delays and cost increases in its current construction projects? If yes, what is the expected completion timeframe and percentage rise in construction costs?**

Barring any unforeseen circumstances, we do not anticipate additional costs and delays at this moment. We will be focusing on the execution and the timely completion of all ongoing projects.

**Q2. Utilities Division**

The Utilities Division recorded a significant decrease in its pre-tax result in FYE 2023 with a loss of RM10.3 million (FYE 2022: Pre-tax profit of RM6.7 million) which is mainly due to the impairment of concession asset of RM9.4 million for the 9MW mini-hydro power plant in Lintau, Indonesia, in compliance with accounting standard MFRS136.  
(Page 10 and Page 26 of AR2023)

- a) **What specific factors triggered the impairment of RM9.4 million? Are these factors expected to cause another impairment in the next financial year?**

The impairment of the mini-hydro power concession asset in Indonesia arising from cost escalation due to construction issues, local land matters and the COVID-19 pandemic. The concession asset was successfully commissioned on 27 September 2023.

- b) **What is the current and expected performance of the Division's business in Indonesia in FYE 2024?**

In FYE 2024, the Utilities Division will continue to focus on exploring opportunities for water treatment and renewable energy concession projects. We anticipate a steady revenue stream from the existing water treatment plant and a new revenue contribution from the mini-hydro power plant in FYE 2024.

**Q3. There is a net Impairment loss on trade receivables amounting to RM2.0 million in FYE 2023 (FYE 2022: RM0.2 million). (Page 188 of AR2023)**

- a) **What caused the higher impairment loss on the trade receivables in FYE 2023? Which trade receivables are involved in the impairment exercise?**

The impairment loss in FYE 2023 was due to the long overdue receivables from one of the main contractors of the Singapore subsidiary.

- b) **What are the measures taken to recover the amount? How much of the amount has been recovered?**

The Singapore's subsidiary had obtained an adjudication award of the claim and is pending enforcement of award.

- c) **What is the expected amount to be recovered in FYE 2024?**

We are unable to ascertain the recoverable amount at this moment as we are still in the midst of enforcing the award.

**Q4. Property Development Division**

The Property Division recorded lower sales of RM203.6 million in FYE 2023 compared with RM265.0 million recorded in FYE 2022. The lower sales were mainly due to the deferment of certain scheduled project launches.

The Property Division will focus on affordable residential developments in FYE 2024. With a landbank of 179 acres (estimated gross development value: RM2.8 billion), unbilled sales of RM187.9 million and improvement plans.

The Division is also on the lookout for new landbank and, and if the opportunity arises, it may consider new land acquisitions to enhance the Group's future development portfolio.

(Pages 28-29 of AR2023)

- a) **When does the Division plan to launch its next property, i.e., affordable residential development for homebuyers?**

We have successfully launched Phase 2 of Gelang Patah in Q1 FYE 2024 and are planning another launch in FYE 2024.

- b) **Are the unbilled sales improving from the current level? What are the targeted property sales for FYE 2024?**

As of 31 August 2023, the unbilled sales were recorded at RM290 million, while the Division's targeted property sales for FYE 2024 are approximately RM190 million.

- c) **What is the update on the lookout for the new landbank? What are the criteria set by the Division for the new landbank?**

The Property Division is looking to replenish its land bank with a key focus on affordable to mid-tier residential markets, especially in Klang Valley and Johor. We are on the lookout for prime land at strategic locations with attractive price points; within well-established neighbourhoods equipped with ready amenities and easily accessible infrastructure or connectivity.

**Q5. Construction Division**

**The Construction Division is currently facing challenges in replenishing its order book due to the decreasing availability of infrastructure jobs in Malaysia (Page 53 of AR2023).**

**The Construction Division's outlook is supported by an outstanding order book of RM1.2 billion, providing the Group with stable earnings visibility over the next few years. The Division aims to tender for new projects from different segments to improve its order book. (Page 28 of AR2023)**

- a) **Based on the current challenges, does the Division expect its order book replenishment rate to slow in the next two financial years? What is the targeted order book replenishment in the next two financial years?**

Under Budget 2024 and the 12th Malaysia Plan, the Government is expected to roll out more infrastructure projects and we will continuously participate in the tender process with competitive pricing.

The Construction Division targets to replenish approximately RM500 million to RM1 billion worth of order books in the next two financial years.

- b) **What sort of new projects from different segments that the Division intends to tender for?**

The Division will bid for projects that are mainly infrastructure projects, healthcare facilities, data centres and others.

**PRE-AGM QUESTIONS RAISED BY SHAREHOLDERS**

| No.    | Questions by Shareholders  | Responses by Gadang Holdings Berhad   |
|--------|--|---|
| 1(i)   | <b>This year, the company benefits from the government. Promoting investing in Malaysia and also MADANI, is there any planning for the company to adapt the trend to achieve growth?</b> | The Construction Division is cautiously optimistic about the outlook for large-scale public infrastructure projects expected to be rolled out by the Government. We will continue bidding for new projects in order to replenish the Group's order book.  |
| 1(ii)  | <b>Since there are a lot of awards in construction and mega projects, could this year distribute a special dividend?</b>   | The dividend payout guidance will be continuously reviewed from time to time based on the Group's financial and cash-flow position as well as business prospects.   |
| 2(i)   | <b>Please give a breakdown of the outstanding construction order book of \$1.2 billion as at the end of FYE 2023 by projects.</b>  | Infrastructure projects = RM940 million<br>Hospital project = RM190 million<br>Foundation works = RM5 million<br>Mechanical & Engineering related projects = RM60 million   |
| 2(ii)  | <b>Which are the projects that incurred prolongation costs and please state the amount? Are these costs fully recoverable from the clients?</b>  | The prolongation costs were related to two ongoing infrastructure projects. There are ongoing discussions with the clients to review the balance of the contract and the prolongation costs claims. These discussions are pending finalisation. Hence, we are not able to ascertain the recoverability of these costs at this juncture.               |
| 2(iii) | <b>What is your view of the construction sector outlook given the widely speculated major MRT3 project that was not mentioned in Budget 2024?</b>  | We are cautiously optimistic about the outlook for national infrastructure projects with the expected roll-out of large-scale public infrastructure projects such as flood mitigation projects by the Government, as well as healthcare facilities and data centres. We will continuously participate in the tender process with competitive pricing. |
| 2(iv)  | <b>How much worth of tenders for new jobs have we submitted and what is our usual success?</b>   | We are currently in the midst of tendering for various infrastructure projects, healthcare facilities and data centres.   |
| 2(v)   | <b>Please update us on the development status of our 21-acre Kwasa Land, including its master plan and the timing of its launch.</b>   | We are in the midst of finalising the Sale and Purchase Agreement with Kwasa Damansara for the purchase of 21-acre Kwasa Land which is targeted to be executed by the end of the year.  |

## PRE-AGM QUESTIONS RAISED BY SHAREHOLDERS (CONT'D)

| No.    | Questions by Shareholders  | Responses by Gadang Holdings Berhad   |
|--------|--|---|
| 2(vi)  | <b>Similarly please update us on our Commercial Land in Damansara Perdana.</b>   | The development will consist of terrace link houses and condominiums to be developed in phases. Kebenaran Merancang (KM) has been approved, however, we will submit a revised KM with increased density for approval.         |
| 2(vii) | <b>Has the 2nd turbine of our Indonesia mini-hydro plant been commissioned?</b><br><br><b>Is our solar PV plant in Tawau on schedule to be commissioned in the 2nd half of 2024?</b> | IMP's second unit 4.5MW was successfully commissioned on 27 September 2023.<br><br>Yes  |
| 3(i)   | <b>Most property counter share prices have recovered recently, except for Gadang. Can you shed some light on this?</b>   | The share price of the Company is very much dependent on general market sentiment, which is beyond the Company's control. The Board will continue to focus on conducting the Group's business to enhance shareholders' value. |
| 3(ii)  | <b>Can minority shareholders get some e-vouchers for this coming AGM?</b>  | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.   |

## REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS

| No.    | Questions by Shareholders   | Responses by Gadang Holdings Berhad  |
|--------|---|--|
| 1      | <b>How does minimum wage affect the company?</b>  | The Construction Division under the Group is more exposed to the minimum wage increase. However, the overall impact of the minimum wage increase has not been material to the Group's financial results.   |
| 2(i)   | <b>May I know what the company's future outlook is?</b>   | Despite the difficult economic climate, the Group is cautiously optimistic about its growth prospects and will continue to maintain operational efficiency and conduct business with caution in order to provide good results in the current year. The Group will keep looking for opportunities to generate recurring revenue in the utility market while also replenishing the order book and new land bank. |
| 2(ii)  | <b>Will the Board consider giving door gifts such as e-vouchers or e-wallets to those participating in this AGM as a token of appreciation?</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 3      | <b>Please consider giving e-vouchers to participating shareholders.</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 4(i)   | <b>Note that even after the Covid-19 restrictions were lifted, the AGM is still being streamed live. Is it possible for us to find out how much the company saves on live broadcasting versus holding a physical AGM? We should consider having physical and live streaming next AGM.</b> | The virtual AGM in 2023 cost us RM63,000 whereas we saved RM45,000 on venue cost. We take note of your suggestion to have hybrid and/or physical and will consider it prior to the next AGM.   |
| 4(ii)  | <b>The share price remains low and weak in Bursa Malaysia, and the dividend yield is relatively low.</b>  | The share price of the Company is very much dependent on general market sentiment, which is beyond the Company's control. The Board will continue to focus on conducting the Group's business to enhance shareholders' value.  |
| 4(iii) | <b>What is the management direction for future dividend distribution policy?</b>  | The dividend distribution will be continuously reviewed from time to time based on the group's financial and cash-flow position as well as business prospects.   |
| 5(i)   | <b>Is it possible to increase the dividend by 1 sen from the last distribution?</b>   | The dividend payout guidance will be continuously reviewed from time to time based on the Group's financial and cash-flow position as well as business prospects.  |

## REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS (CONT'D)

| No.    | Questions by Shareholders   | Responses by Gadang Holdings Berhad   |
|--------|---|---|
| 5(ii)  | <b>What is the effect of the exchange rate on Ringgit Malaysia?</b>   | The foreign currency exchange rate does not have a material impact on the profit after taxation of the Group, as disclosed in the Annual Report Note 50.1.  |
| 5(iii) | <b>What is the impact of the increase in labour costs and foreign labour costs in 2024 after the budget?</b>  | The Construction Division under the Group is more exposed to the minimum wage increase. However, the overall impact of the minimum wage increase has not been material to the Group's financial results.  |
| 5(iv)  | <b>The mega project was not carried out on time.</b>  | Under Budget 2024 and the 12th Malaysia Plan, the Government is expected to roll out more infrastructure projects, and we will continuously participate in the tender process with competitive pricing.   |
| 5(v)   | <b>The economy overall is not growing. Loan approval for middle-income buyers is currently lower.</b>   | To assist homebuyers, the Government's Budget 2023 introduced measures to assist homeownership through stamp duty exemptions for house loans and/or Memorandum of Transfer ("MOT") for properties priced below RM500,000 (for first-time home buyers) and a 75% stamp duty exemption for properties priced from RM500,000 to RM1 million. |
| 6(i)   | <b>Some material costs increased. In 2024, the implementation of an 8% sales tax will increase the overall cost of purchasing. Does the company adjust the selling price with a discount to attract buyers?</b> | The increase in material costs and the implementation of an 8% sales tax are expected to have minimal impact on the Property Division, however, the Division will relook into the marketing package and the selling price to maintain its profit margin.  |
| 6(ii)  | <b>What could the company do with the upcoming 2024 new taxation?</b>   | The Division will continue to manage operational efficiency on our projects and enlarge the existing pool of contractors to have better and more competitive pricing.   |
| 7      | <b>At this year's meeting, will there be any TNG cash reload?</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.   |
| 8      | <b>When will Gadang have a physical meeting? Virtual meetings are no help for the share price.</b>  | We take note of your suggestion to have a physical meeting and will consider it prior to the next AGM.  |



## REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS (CONT'D)

| No.    | Questions by Shareholders   | Responses by Gadang Holdings Berhad  |
|--------|---|--|
| 9(i)   | <b>How much does the company spend on this virtual AGM?</b>   | The virtual AGM in 2023 cost us RM63,000 whereas we saved RM45,000 on venue cost.  |
| 9(ii)  | <b>Would the BOD kindly consider giving an e-wallet as a token of appreciation for taking the time and effort to attend this RPV?</b>                           | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 9(iii) | <b>I would like to request a printed hard copy of the company's annual report.</b>  | We will provide you with a printed hard copy of the annual report after the AGM.   |
| 9(iv)  | <b>May I know what the outlook and prospects are for the company? Please advise.</b>  | Despite the difficult economic climate, the Group is cautiously optimistic about its growth prospects and will continue to maintain operational efficiency and conduct business with caution in order to provide good results in the current year. The Group will keep looking for opportunities to generate recurring revenue in the utility market while also replenishing the order book and new land bank. |
| 10(i)  | <b>Please send, me a copy of the latest annual report, Tq.</b>  | We will provide you with a printed hard copy of the annual report after the AGM.   |
| 10(ii) | <b>I also request the company to distribute some e-vouchers to today's attendees, Tq.</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 11     | <b>When will the company go back to physical AGM? So that we, as shareholders, can meet the management.</b>   | We take note of your suggestion to have a physical meeting and will consider it prior to the next AGM.   |
| 12     | <b>Please give e-voucher, thank you.</b>  | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 13     | <b>As now is the endemic phase of Covid-19 in Malaysia, will the board consider having a physical meeting in the future? If not, please explain the reason.</b> | We take note of your suggestion to have a physical meeting and will consider it prior to the next AGM.   |
| 14     | <b>Kindly give us an RM30 TNG e-wallet for being loyal shareholders and attending this AGM. Thank you.</b>  | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |

## REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS (CONT'D)

| No.    | Questions by Shareholders   | Responses by Gadang Holdings Berhad  |
|--------|---|--|
| 15(i)  | <b>What is the outlook for this year considering the Company made a loss last year?</b>   | Despite the difficult economic climate, the Group is cautiously optimistic about its growth prospects and will continue to maintain operational efficiency and conduct business with caution in order to provide good results in the current year. The Group will keep looking for opportunities to generate recurring revenue in the utility market while also replenishing the order book and new land bank. |
| 15(ii) | <b>Also, is there any intention to have a physical meeting next year in order to allow interaction between the shareholders and the management?</b> | We take note of your suggestion to have a physical meeting and will consider it prior to the next AGM.   |
| 16     | <b>Please give some e-wallets to shareholders as a token of appreciation. Thank you!</b>  | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 17     | <b>Please send a copy of the annual report to me. Please give e-wallets or e-vouchers to those attending this meeting.</b>                          | We will provide you with a printed hard copy of the annual report after the AGM. The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.   |
| 18     | <b>Appreciate e-wallet, please.</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 19     | <b>Thank you Ms. Kok for the presentation of MSWG's Q&amp;As.</b>   | Thank you.   |
| 20     | <b>Good morning appreciate it very much, e-wallet, please.</b>  | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |
| 21     | <b>Well done.</b>   | Thank you.   |
| 22     | <b>What is the estimated or range purchase price per sq ft of Kwasa land being transacted?</b>  | We will make the necessary announcement to Bursa Malaysia Securities Bhd once the Sale & Purchase Agreement is signed.   |
| 23     | <b>Mr Chairman and Board of Directors, as a token of appreciation, please give the AGM attendees some food vouchers or e-wallets. Thank you.</b>    | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit.  |

## REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS (CONT'D)

| No. | Questions by Shareholders  | Responses by Gadang Holdings Berhad   |
|-----|--|---|
| 24  | <b>In regards to MRT3, it was noted that the tender validity period has been extended to the end of the year. Please advise whether Gadang has tendered for any of the three main work packages. I would really appreciate it if you could elaborate more on this.</b> | GESB has submitted a tender for MRT3 and is currently waiting for the outcome of the tender.                |
| 25  | <b>Since the company is not giving dividends, why not reward shareholders with an e-wallet as a replacement?</b>   | The Company took note of the requests and would consider them for next year's AGM, if circumstances permit. |
| 26  | <b>Request for a hard copy of the latest annual report.</b>  | We will provide you with a printed hard copy of the annual report after the AGM.                            |