

MELATI EHSAN HOLDINGS BERHAD
(the “Company”/ “Melati Ehsan”)
(Registration No. 200401034784 (673293-X))
(Incorporated in Malaysia)

Minutes of the Nineteenth Annual General Meeting of the Company held via an online portal from Broadcast Venue at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor on Tuesday, 27 February 2024 at 10.00 a.m.

Present : **Board of Directors**
Tan Sri Dato’ Yap Suan Chee - Executive Chairman
Mr. Yap Wei Sam - Executive Director
Dato’ Mohd Zain Bin Yahya - Independent Non-Executive Director
Encik Hidzir Bin Yahya - Independent Non-Executive Director
Mr. Clifford Anthony Clement - Independent Non-Executive Director
Madam Loo Yeok Bee - Independent Non-Executive Director

Proxies
- As per attendance list

Invitees
- As per attendance list

In Attendance : Ms. Wong Youn Kim
Mr. Chan Chee Yean

MINUTES

1. CHAIRMAN

Tan Sri Dato’ Yap Suan Chee (“Tan Sri Dato’ Chairman”) presided as Chairman of the Meeting and he welcomed all present via an online platform at the Nineteenth Annual General Meeting (“19th AGM”) of the Company.

2. QUORUM

Tan Sri Dato’ Chairman called the meeting to order at 10.00 a.m. upon the confirmation of the presence of a quorum by the Company Secretary.

3. OPENING

Tan Sri Dato’ Chairman introduced the Board members, Company Secretary, Key Senior Management and advisers present at the Broadcast Venue and those participating virtually.

4. NOTICE

The notice which had been circulated to all shareholders on 28 December 2023 convening the meeting was taken as read.

5. BRIEFING ON PROCEDURES OF FULLY VIRTUE 19TH AGM

Tan Sri Dato’ Chairman invited the Secretary to brief the meeting on the proceedings of the meeting and the voting procedures.

The Company Secretary, Ms. Wong informed that the meeting involve the moving and passing of eleven (11) proposed Ordinary Resolutions which require the approval of a simple majority of the members or their proxies present and voting at the meeting. The question and answer session and the poll will be taken at the end of the meeting.

The Company has appointed Synergy Professionals Group Sdn. Bhd. as the Poll Administrator to conduct the poll by way of online voting and Usearch Management Services as Scrutineer to supervise polling process and verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 19th AGM.

6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements (“AFS”) for the financial year ended 31 August 2023 together with the Directors’ and Auditors’ Reports thereon, having been circulated to all the shareholders within the prescribed period, were tabled before the Meeting.

Tan Sri Dato’ Chairman informed the Meeting that the AFS was meant for discussion only as it would not require approval from the members in accordance with Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda item was not put forward for voting.

Tan Sri Dato’ Chairman then declared the AFS for the financial year ended 31 August 2023 have, in accordance with the Companies Act, 2016 been properly laid and received.

7. DECLARATION OF A FIRST AND FINAL SINGLE TIER DIVIDEND OF 1.0 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 AUGUST 2023

The next item on the Agenda was the declaration of a first and final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 August 2023. The proposed dividend, if approved, would be payable on 19 March 2024 to all shareholders of the Company whose names registered in the Record of Depositors at the close of business on 8 March 2024.

8. DIRECTORS’ FEES OF UP TO RM321,000.00 FOR THE PERIOD FROM 28 FEBRUARY 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING IN YEAR 2025

The next item on the Agenda was to approve the payment of directors’ fees of RM321,000.00 for the period from 28 February 2024 until the next Annual General Meeting in year 2025.

9. DIRECTORS’ ALLOWANCES OF UP TO RM36,000.00 FOR THE PERIOD FROM 28 FEBRUARY 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING IN YEAR 2025

The next item on the Agenda was to approve the payment of directors’ allowances of up to RM36,000.00 for the period from 28 February 2024 until the next Annual General Meeting in year 2025.

10. RE-ELECTION OF DIRECTORS PURSUANT TO CLAUSE 97 OF THE COMPANY’S CONSTITUTION

(a) RE-ELECTION OF ENCIK HIDZIR BIN YAHYA AS DIRECTOR

Tan Sri Dato’ Chairman proceeded to the agenda on the re-election of Encik Hidzir Bin Yahya as a Director of the Company, who was retiring pursuant to Clause 97 of the Company’s Constitution.

(b) RE-ELECTION OF MR. YAP WEI SAM AS DIRECTOR

Tan Sri Dato' Chairman continued with the next agenda on the re-election of Mr. Yap Wei Sam as a Director of the Company, who was retiring pursuant to Clause 97 of the Company's Constitution.

11. RE-ELECTION OF MADAM LOO YEOK BEE AS DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION

The next item on the Agenda was in relation to the re-election of Madam Loo Yeok Bee as Director of the Company, who was retiring pursuant to Clause 104 of the Company's Constitution.

12. RE-APPOINTMENT OF AUDITORS, MESSRS BDO PLT

Tan Sri Dato' Chairman proceeded to the next item on the agenda to consider the re-appointment of Messrs. BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

The retiring Auditors, Messrs. BDO PLT had indicated their willingness to continue in office.

13. AUTHORITY TO ISSUE SHARES

The Meeting proceeded to consider the motion on the authority to issue shares pursuant to the Companies Act, 2016 ("General Mandate") as set out in the Notice of 19th AGM. The Meeting noted that the motion, if passed, would empower the Directors of the Company to allot and issue new shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being.

14. PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

Tan Sri Dato' Chairman informed that the next item on the agenda was related to the Proposed Renewal of the existing shareholders' Mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Renewal Shareholders' Mandate"). The Circular to Shareholders in connection thereto had been sent to all shareholders on 28 December 2023 together with the Annual Report.

The recurrent related party transactions were recurring transactions of a revenue and trading nature which are necessary for Group's day-to-day operations and were in the ordinary course of business of the Group and made on an arm's length basis and on normal commercial terms and which were not prejudicial to the interest of the shareholders.

The full text of the resolution was set out in the Notice of Meeting and the details of the proposal had been clearly set out in Part A of the Circular to Shareholders dated 28 December 2023.

The interested directors, Tan Sri Dato' Chairman and Mr Yap Wei Sam together with the persons connected to them would abstain from deliberating, approving and voting on the proposed resolution.

15. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Tan Sri Dato' Chairman moved on to the next item on the agenda which was to consider and if thought fit, to pass an Ordinary Resolution for proposed renewal of shareholders' mandate for share buy-back as explained in the Share Buy-Back Statements circulated to shareholders on 28 December 2023 for approval.

The full text of the resolution was set out in the Notice of Meeting and the details of the proposal had been clearly set out in Part B of the Statement to Shareholders dated 28 December 2023.

16. PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Dato' Chairman informed that the last item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution to retain Dato' Mohd Zain Bin Yahya, who had served the Board as Independent Non-Executive Director for a term of more than 9 years.

A two-tier voting process will be conducted.

17. ANY OTHER BUSINESS

As no notice had been received to transact any other business, Tan Sri Dato' Chairman put all resolutions to vote via an online platform.

18. PRESENTATION ON ENQUIRIES RECEIVED FROM MINORITY SHAREHOLDERS WATCH GROUP

Tan Sri Dato' Chairman informed the Meeting that the Company had received a letter dated 8 February 2024 from the Minority Shareholders Watch Group ("MSWG") and few enquiries have been raised by MSWG.

Tan Sri Dato' Chairman presented to the shareholders the enquiries received and the response from the Company as annexed herewith and marked as Appendix "1".

19. QUESTIONS AND ANSWERS SESSION

Tan Sri Dato' Chairman then proceeded to the Questions and Answers session.

Q (1) Question raised by Lam Jun Ket, a shareholder of the Company

Update on the TNB mixed development project.

A (1) Melati Ehsan's Response

The project is under private investment of Tan Sri Dato' Yap Suan Chee's family and not part of the listed group.

Q (2) Questions raised by Kow Lih Shi, a shareholder of the Company

Can the Company distribute more dividend? The impact of the 8% SST compare to the 6% SST.

A (2) Melati Ehsan's Response

Melati Ehsan's ability to pay dividends is dependent upon a number of factors, including the operating results, financial conditions and capital expenditure requirements. The Board shall exercise a prudent approach and in the best interest of the Company on future dividend payment.

Q (3) Questions raised by Ho Chun Sern, a shareholder of the Company

Will the Company come into contact with solar, EV or other series in the near future, or will there be any development in the industry in the near future?

A (3) Melati Ehsan's Response

For the time being, the Company do not have any plan on it.

Q (4) Questions raised by Kow Lih Shi, a shareholder of the Company

How the Company be able to overcome issues from Ringgit exchange foreign currencies which leads to increasing cost of operation and cause inflation, and what is the action plan?

A (4) Melati Ehsan's Response

The Company do not have direct exposure on the foreign currency as the Company's operation are conducted wholly in Malaysia.

Q (5) Questions raised by Kow Lih Shi, a shareholder of the Company

What is the impact in overall to the operations upon the implementation of new SST and e-invoicing by LHDN? What is the Company forecast on this long term cost increase in operational cost and RSP.

A (5) Melati Ehsan's Response

The Company is not in the servicing industry thus the increase in SST is not related to the Company business while for the e-invoicing, the Company will implement as per the LHDN guideline.

As no more question from the shareholders and proxies presented at the meeting, Tan Sri Dato' Chairman invited the Company Secretary to brief the meeting on the online polling procedures. Shareholders and proxies been given approximately 30 minutes to cast the vote online and followed by the declaration of the poll results verified by the appointed Independent Scrutineer, Usearch Management Services.

20. ANNOUNCEMENT OF POLL RESULTS

Tan Sri Dato' Chairman called the meeting to order for the declaration of the following poll results:-

Ordinary Resolution 1: Declaration of a First and Final Single Tier Dividend of 1.0 sen per Ordinary Share in respect of the Financial Year Ended 31 August 2023

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	97,758,875	100.0000	0	0.0000

Tan Sri Dato' Chairman declared that Ordinary Resolution 1 was duly carried unanimously as follows:-

“Ordinary Resolution 1

- **Declaration of a First and Final Single Tier Dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 August 2023**

THAT a first and final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 August 2023 be and is hereby approved.”

Ordinary Resolution 2: Payment of Directors' Fees of up to RM321,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	97,753,875	99.9949	5,000	0.0051

Tan Sri Dato' Chairman declared that Ordinary Resolution 2 was duly carried by majority as follows:-

“Ordinary Resolution 2

- **Payment of Directors' Fees of up to RM321,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025**

THAT the payment of Directors' fees of up to RM321,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025 be hereby approved.”

Ordinary Resolution 3: Payment of Directors' Allowances of up to RM36,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	97,753,775	99.9948	5,100	0.0052

Tan Sri Dato' Chairman declared that Ordinary Resolution 3 was duly carried by majority as follows:-

“Ordinary Resolution 3

- **Payment of Directors' Allowances of up to RM36,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025**

THAT the payment of Directors' allowances of up to RM36,000.00 for the period from 28 February 2024 until the next Annual General Meeting in the year 2025 be hereby approved.”

Ordinary Resolution 4: Re-election of Encik Hidzir Bin Yahya

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	97,758,775	99.9999	100	0.0001

Tan Sri Dato' Chairman declared that Ordinary Resolution 4 was duly carried by majority as follows:-

“Ordinary Resolution 4
- Re-election of Encik Hidzir Bin Yahya

THAT Encik Hidzir Bin Yahya retiring pursuant to Clause 97 of the Company's Constitution, be re-elected as a Director of the Company.”

Ordinary Resolution 5: Re-election of Mr. Yap Wei Sam

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	97,758,875	100.0000	0	0.0000

Tan Sri Dato' Chairman declared that Ordinary Resolution 5 was duly carried unanimously as follows:-

“Ordinary Resolution 5
- Re-election of Mr. Yap Wei Sam

THAT Mr. Yap Wei Sam retiring pursuant to Clause 97 of the Company's Constitution, be re-elected as a Director of the Company.”

Ordinary Resolution 6: Re-election of Madam Loo Yeok Bee

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	97,758,775	100.0000	0	0.0000

Tan Sri Dato' Chairman declared that Ordinary Resolution 6 was duly carried unanimously as follows:-

“Ordinary Resolution 6
- Re-election of Madam Loo Yeok Bee

THAT Madam Loo Yeok Bee retiring pursuant to Clause 104 of the Company's Constitution, be re-elected as a Director of the Company.”

Ordinary Resolution 7: Re-appointment of Auditors, Messrs BDO PLT

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	97,758,175	100.0000	0	0.0000

Tan Sri Dato' Chairman declared that Ordinary Resolution 7 was duly carried unanimously as follows:-

“Ordinary Resolution 7

- Re-appointment of Auditors, Messrs BDO PLT

THAT Messrs BDO PLT be hereby re-appointed as the Company's Auditors for the ensuing year **AND THAT** the Board of Directors be authorised to fix their remuneration.”

Ordinary Resolution 8: Authority to issue shares

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	97,758,775	99.9999	100	0.0001

Tan Sri Dato' Chairman declared that Ordinary Resolution 8 was duly carried by majority as follows:-

“Ordinary Resolution 8

- Authority to issue shares

THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Companies Act, 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares for the time being of the Company and 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 Malaysia Securities Berhad.

THAT pursuant to Section 85 of the Companies Act, 2016 to be read with Clause 54 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 Sections 75 and 76 of the Companies Act, 2016.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/she/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.”

Ordinary Resolution 9: Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9	17,285,100	100.0000	0	0.0000

Tan Sri Dato' Chairman declared that Ordinary Resolution 9 was duly carried unanimously as follows:-

“Ordinary Resolution 9

- Proposed Renewal of the Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

THAT approval be and is hereby given to the Company and/or its subsidiary companies to renew the mandate from the shareholders of the Company for the Company and/or its subsidiary companies to enter into and give effect to Recurrent Related Party Transactions of a revenue or trading nature with specified classes of the Related Parties as stated in Part A of the Circular to Shareholders dated 28 December 2023 (“Circular”) which are necessary for the Group’s day-to-day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company **AND THAT**, such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Sections 340(1) and 340(2) of the Companies Act, 2016 (“the 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 in general meeting,

whichever is the earlier, and disclosure will be made in the annual report of the aggregate value on the transactions conducted during the financial year pursuant to the shareholders’ mandate;

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to this resolution.”

Ordinary Resolution 10: Proposed Renewal of Authority for Share Buy-Back

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 10	97,758,775	99.9999	100	0.0001

Tan Sri Dato’ Chairman declared that Ordinary Resolution 10 was duly carried by majority as follows:-

“Ordinary Resolution 10

- Proposed Renewal of Authority for Share Buy-Back

THAT subject to the Companies Act, 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such amount 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 as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the Company's latest audited retained profits;
- (c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an 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 the Directors of the Company be and are hereby authorised to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force,

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 effect the aforesaid share buy-back with full powers 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."

Ordinary Resolution 11: Retention of Dato' Mohd Zain Bin Yahya as Independent Non-Executive Director

TIER 1

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 11	53,453,413	100.0000	0	0.0000

TIER 2

Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 11	44,305,262	99.9995	200	0.0005

Tan Sri Dato' Chairman declared that Ordinary Resolution 11 – Tier 1 was carried unanimously and Tier 2 was duly carried by majority as follows:-

“Ordinary Resolution 11

- Retention of Dato’ Mohd Zain Bin Yahya as Independent Non-Executive Director

THAT Dato’ Mohd Zain Bin Yahya, who has served as an Independent Non-Executive Director of the Company for a term limit of more than 9 years be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of next Annual General Meeting.”

21. CLOSURE OF MEETING

As there was no other matter to be discussed, for which due notice had been given in accordance with the Companies Act, 2016, the meeting concluded at 11 a.m. with a vote of thanks to Tan Sri Dato’ Chairman and the Board of Directors.

Confirmed as a correct record,

TAN SRI DATO’ YAP SUAN CHEE
CHAIRMAN

Date: 2 April 2024

1. As at 31 August 2023, the trade receivables of the Group net of impairment losses amount to RM148.4 million which represented 37% of the Group's total assets. Of the trade receivables, 90% had already past due the credit terms of more than 120 days and 81% are due from one major customer. (Pages 69 to 72 of AR2023)

(a) Is this major customer an ongoing customer or a past customer; and related to which project?

The trade receivables were mainly arising from a past customer and the project was the Dewan Bandaraya Kuala Lumpur Directorate. We have received RM54.674 million in the month of December 2023 from this customer and we anticipate the outstanding balance will be received by the Group in the first Quarter of 2024.

(b) If this major customer is an ongoing customer, how much longer until the project is completed?

The project was completed and is pending Certificate of Making Good Defect (CMGD) to be issued by the customer.

(c) What is the range of trade credit terms that granted to this customer and what is the average payment period (i.e. number of days between issuance of payment certificate and receipt of payment)?

The Group's normal trade credit terms ranges from 14 to 180 days. However, the extension of credit term is assessed and approved on a case by case basis. The management had taken proactive action by having several meetings on the collection. We have collected RM54.674 million in the month of December 2023 and balance in 1st quarter of 2024.



Be with ME

(d) Given that the Group had already recorded negative operating cashflow in the past two consecutive years, does the Group plan to negotiate a shorter payment term with this major customer?

The Group is confident that our cashflow position is manageable and will be further improved after full payment of the outstanding amount in the 1st quarter of 2024. The negative operating cashflow for the past two years was merely a timing factor and will be improved upon collection.



Be with ME

2. The revenue of the Construction Segment increased 147% to RM64.3 million as compared to FY2022. However, the gross profit margin of the Construction Segment had fallen to 18% from 55% in FY2022. (Pages 81 and 82 of AR2023)

(a) Which construction project contributed to the increase in revenue?

The increase in revenue were mainly contributed from the Conlay Project and the DBKL Directorate Project.

(b) What are the factors that lead to the lower gross profit margin of the Construction Segment in FY2023?

The lower gross profit margin of the construction segment in FY2023 was mainly due to a few projects that were finalised and completed during the financial year. Anticipated and incidental costs have been taken into consideration and this is in line with the normal accounting standards and practice.

3. Added on to the upcoming project portfolio is the proposed mixed development ME City in Kelana Jaya, Petaling, Selangor. Bayu Melati Sdn Bhd (a wholly owned subsidiary of the Company) has undertaken the development on a turnkey basis covering design, planning, construction, sales and marketing. (Page 14 of AR2023)

ME City was first announced by the Group in 2019 and the project was set to commence in the first half of 2020.

(a) What had caused the delay in the commencement of the project?

Bayu Melati Sdn Bhd (a wholly-owned subsidiary) rescheduled the development of the residential development scheme known as “ME City” in Petaling Jaya, Selangor due to the Covid-19 virus outbreak and we also took time to negotiate with, source an alternative piece of land and relocate an Indian temple Kuil Sri Maha Muniswarar sited within the development. As part of the Group’s corporate social responsibility initiative, we have offered a piece of land measuring 3,000 sq. ft., built a new structure and made a cash contribution for the relocation of the Indian temple Kuil Sri Maha Muniswarar.

(b) When is the project expected to commence and how long is the project until completion?

Construction works of ME City have started and site clearing and earthworks have been completed. The Sales gallery and show units of the development are ready. During the years 2022/2023, our project team was actively engaged with various exercises including realignment of products, design and value engineering to achieve optimal efficiency and cost effectiveness. Currently, sub-structure works are in progress and targeted for completion by the third quarter of 2024 after which we will move on to building works. We are preparing for launching 1st phase of ME City in the second quarter of 2024. ME City shall have a development period of 7 years.



Be with ME

(c) Is there any significant amendment to the terms between the Group and Perbadanan Kemajuan Negeri Selangor since the privatisation agreement was signed in 2018?

There are no significant amendments to the terms of the Privatisation Agreement between the Group and Perbadanan Kemajuan Negeri Selangor since the agreement was executed in 2018.

Both parties have acknowledged that the Movement Control Order due to the Covid-19 virus outbreak and the Indian temple located at the project site have affected the development plan of the project as planned. As such, both parties will pursue for extension of time subject to terms and conditions to be mutually agreed.

4. The Group completed the landed residential development project in Kluang, Johor known as Meridian with the Certificate of Completion and Compliance issued on 29 March 2023. (Page 13 of AR2023)

What is the take-up rate and how many unsold units to date?

The take-up rate and unsold units to-date of the landed residential development project in Kluang, Johor known as Meridian are as follows:-

Total Units	Launch	Sold	Unsold
157	157	142	15



Be with ME

5. Please provide a list of the Group's ongoing/upcoming projects (i.e. GDV/outstanding order book, current progress, physical percentage of completions, whether on track with the project timeline, etc), separated by Constructions Segment and Development Segment.

The Group's outstanding orderbook as of 31 August 2023 are as follows:-

Construction : RM1.940 billion

Property development : RM1.610 billion

The Company's projects are progressing as planned. However, we are unable to provide details of the projects for competitive reasons. The Company will announce or update the shareholders from time to time and/or in the event that the projects are secured accordingly.

Jan 2024



6. The Company had several development lands in Kluang, Klang, Selayang and Kuala Lumpur. (Pages 94 to 97 of AR2023)

- (a) What are the development plans for these lands in the next 5 years?
- (b) Is there any Development Order pending approval?

The 5 years development plans for the Company land held for development are as follows:-

Lands/Development Projects	Development Order	Building Plan	Expected Launching Date
Bayu Selayang Heights ME City	22/09/2022 26/04/2019	27/12/2022 21/11/2022	2 nd half 2024 Q2/2024
ME Corporate Office/ Service Apartment	Expected Q2/2024	Expected Q3/2024	Q4/2024

Drone View Jan 2024



Be with ME

(c) What is the Group's outlook for Development Segment's revenue in FY2024 as compared to FY2023 after the completion of the Meridian Project and the expected launching of Bayu Selayang Heights in the second half of 2024?

Despite some challenges on the back of heightened market ambiguities arising from ongoing macro-economic issues and geopolitical conflicts, the local property market demonstrated positive trends with rising transaction volumes, notably, the demand for affordable housing which had remained consistently high. The general response from property launches within the affordable segment in acceptable areas have shown that this product segment has resonated with customers, leading to relatively high take up rates. We note that buyers who have delayed their purchases in the last two years owing to the pandemic are now actively looking for quality buys. We are confident that this positive trend will continue in 2024.

The property sector has not been shielded from the repercussions of the current global economic climate. The rising cost of materials alongside the fluctuation in interest rates have made the current sectors challenging. Nonetheless, the Board remains steadfast in weathering the current challenges with prudence and caution. We are grateful for the Government's efforts in pushing for economic reforms in Budget 2024 and staying true to their ethos of the Economy Madani framework for a sustainable and inclusive growth. The Budget has clearly included proactive measures to support SMEs, affordable housing schemes, improvement of public infrastructure and the push for a rationalisation to reduce selected subsidies. Melati Ehsan will monitor closely for prospects within the industry to capitalise on potential synergistic business opportunities to bring greater value to our shareholders.



Be with MIE

Generally, we expect residential property prices to remain stable with landed properties still remaining a safer bet over high rise units. Nonetheless, we are not expecting significant growth within the industry owing to the property overhang coupled by the global economic challenges at hand.

We foresee that the Group will receive some construction contracts from related companies as disclosed in the Circular to Shareholders dated 28 December 2023 and which will be tabled in the forthcoming 19th Annual General Meeting for shareholders' approval.



Be with ME