



QUESTIONS BY THE MINORITY SHAREHOLDERS WATCH GROUP

OPERATIONAL AND FINANCIAL MATTERS

1. The strategy of a rental scheme introduced for Sunway Union Suites has proven successful as evidenced by its 100% occupancy rate which has garnered a steady recurring income for the Group. (Page 27 of AR)

a. What is the number of units of Sunway Union Suites that have been converted to generate rental income? What is the percentage of the units rented out as to the total units of Sunway Union Suites?

Out of a total of 626 units at Sunway Union Suites, 51 units have been converted to generate rental income. This means that 8.15% of the units are currently rented out

b. What were the gross and net rental income from the Sunway Union Suites rented out in FY 2024?

In FY2024, the total rental income reported from Sunway Union Suites under the rental scheme amounted to RM342,000.

2. The Group's loss was mitigated by a higher share of profit from jointly controlled entities of RM10.2 million in FY 2023 but a loss of RM3.9 million in FY 2024.

a. Please explain how the jointly controlled entities incurred a loss in FY 2024 but reported a profit in FY 2023.

The share of profit in FY2023 was due to cost savings on main building works after the finalisation of accounts for FY2023. Conversely, the share of loss in FY2024 resulted from lower sales in jointly controlled entities compared to FY2023.

b. Please name the jointly controlled entities that reported losses in FY 2024.

The said jointly controlled entities are Alpine Return Sdn Bhd. and Alpine Land Sdn. Bhd. [please refer to Page 226 of Annual Report]

c. How would the jointly controlled entities perform in FY 2025?

It is anticipated that the jointly controlled entities will show a better performance in FY2025 based on the following key factors:-

- **The jointly controlled entities have recorded better revenue and results in Q1 2025 compared to the preceding year's corresponding quarter. The momentum from Q1 is expected to continue, setting a solid foundation for the rest of FY2025.**
- **Several marketing events are scheduled for the upcoming quarters. These initiatives are designed to increase brand visibility, drive customer engagement and stimulate sales growth to further boost revenue. More activities for different market segments will be planned once we received positive feedback from those events.**

3. The Group has successfully boosted the occupancy and rental rate for both investment assets by revamping the tenancy mix and focusing on multinational companies and negotiating better rates upon the renewal of tenancies. (Page 36 of AR)

a. What was the increase in the occupancy rates of Menara Symphony and Langkawi Fair Shopping Mall, respectively, in FY 2024 compared to FY 2023?

The comparison in the occupancy rates is as follows:-

Asset/Occupancy Rate	FY2024	FY2023
Menara Symphony	89%	88%
Langkawi Fair Mall	88%	87%

- b. Has the occupancy rate of Menara Symphony and Langkawi Fair Shopping Mall increased further in this current financial year? If yes, please provide the increased occupancy rates for Menara Symphony and Langkawi Fair Shopping Mall, respectively.

The occupancy rate for Menara Symphony increased compared to that of Langkawi Fair Shopping Mall, as detailed below:-

Asset/ Occupancy Rate	As at 31 July 2024	FY2024	Remarks
Menara Symphony	87%	89%	Due to expiring of tenancy but we are following up with a few prospects to fill in our office's vacancy in FY2025.
Langkawi Fair Mall	88%	88%	-

- c. What was the expected additional rental income in FY 2024 arising from the increase in the occupancy rates for Menara Symphony and Langkawi Fair Shopping Mall respectively?

The additional rental income generated by the 2 properties is summarised in the table below:-

Rental income (Office and Retail Premises)	FY2024 (RM'000)	FY2023 (RM'000)	Increase (RM'000)
Menara Symphony	13,703	12,708	995
Langkawi Fair Mall	5,417	4,643	774

4. The group's lower total revenue in FY 2024 as compared to FY 2023 was due to the slow movement of unsold stocks for three of the Group's development projects, namely Union Suites, Tijani Raja Dewa (Kota Baru), and industrial lots in Sungai Petani. (Page 37 of AR)

a. Please explain the challenges faced by the Company in clearing completed property stocks for each property project, namely Union Suites, Tijani Raja Dewa (Kota Baru), and industrial lots in Sungai Petani.

The common challenges faced by the Company include:-

- Regulatory restriction**
- Market sentiment**
- Bank's conservative approach to its valuation**

b. Has there been an improvement in clearing the unsold completed property stocks for the three property projects? If yes, please provide the number of units sold and values respectively.

The Group has managed to clear some of the unsold units as follows:-

Project	Unit sold in FY2025 (as at 31 July 2024)	Net Selling Price (RM'000)
Union Suites	4	5,060
Tijani Raja Dewa (Kota Baru)	1	608
Industrial Lots in Sungai Petani	-	-

c. What measures have been taken to clear the unsold completed property stocks for the three projects? Are these measures successful in terms of the units sold? Please provide the numbers and values.

The Group has implemented the following measures to clear unsold stock and we are actively monitoring the progress and results:-

- Appeal to relevant authority for Bumi/Malay quota waiver**
- Furnished the completed units for rental, and to sell with good rental yield for investment.**
- Networking with real estate agencies to market the Bumi/Malay lots.**

5. Alpine Return Sdn Bhd (“ARSB”), a 50% jointly controlled company reported high administrative expenses of RM39.3 million with a revenue of RM32.1 million in FY 2023 as compared to RM35.1 million administrative expenses and RM47.2 million revenue in FY 2024. (Page 226 of AR)

a. Please explain the reasons why ARSB incurred high administrative expenses in both FYs 2023 and 2024 as compared to its revenue.

The high administrative expenses were mainly due to GRR payments of RM20 mil (FY2023) and RM22mil (FY2024). This is a fixed payment and will only end in July 2025 regardless of how much revenue is recorded

b. Please provide details of the major administrative expenses for both FYs 2023 and 2024.

We appended below the detailed administrative expenses incurred by ARSB for FY 2023 and FY 2024:-

No.	Description	FY 2024 (RM)	FY 2023 (RM)
1	GRR	22 mil	20 mil
2	Staff Cost	3.4 mil	4.8 mil
3	Ascott Operator Cost	2.4 mil	1.0 mil

c. Has the Company introduced any measures to reduce the high administrative expenses of ARSB? If yes, were the measures successful in terms of the cost savings? Please explain.

ARSB will like to highlight that the administrative expenses such as GRR will end in July 2025 (after FY 2025) and other administrative expenses are mainly on operating and there is a conscious effort to reduce, where possible.

SUSTAINABILITY MATTERS

1. **The Company has set meaningful Economic, Social and Governance KPIs and targets to further drive its sustainability agenda with a future forward approach. (Page 68 of AR)**
 - a. **Please name the Economic, Social and Governance KPIs and targets that the company has set in FY 2024.**
 - b. **Please provide the timeline for each of the KPIs the Company has identified.**
 - c. **Please name the KPIs the Company has achieved in FY 2024**

We have identified the KPIs and targets for the Group. However, these KPIs and targets have yet to be formalised and approved by the Board of Directors.

As mentioned in page 66 of our Annual Report, the Group will pursue and target to roll out these KPIs by FY2025.

2. The Company has not conducted any Anti-Bribery and Anti-Corruption Policy, (“ABAC”) for its Executive staff in FY 2024 as compared to 7% in FY 2023. (Page 72 of AR) The Company mentioned that it has cascaded the ABAC training across the organisation at all levels of employment.

- a. Please explain why there was no training conducted for the Executive Staff in FY 2024?
- b. Does the Company have any non-executive staff? If yes, why was no training given to them in FY 2024? Please explain.

In FY2024, there were no formal training conducted on the ABAC to the Executives and Non-Executives of the Group, however, a briefing on the ABAC Policy and Framework of the Group was given to all new hires (Executive and Non-Executives included) during their onboarding session.

Furthermore, a presentation slide on the Adoption of SymLife’s ABAC Framework and its related policies & procedures were shared to all employees via email. The deck also included flowcharts explaining each of the policy and procedure.

Nevertheless, the company is in the midst of looking into conducting a group-wide ABAC refresher training in FY2025.

CORPORATE GOVERNANCE MATTERS

1. **Mr. Yong Ket Inn and Mr. Tan Yu Wei, independent non-executive directors were the only two members of the Remuneration Committee.**

Why did the Board not appoint a Chairman for the Remuneration Committee?

According to the Terms of Reference for the Remuneration Committee, a minimum of two (2) members will constitute a quorum and they may also elect a Chairman from among themselves.

Does the Board intend to appoint a Chairman to the Remuneration Committee? If yes, when?

Yes, the Board intends to appoint a Chairman to the Remuneration Committee within the FY 2025.

2. The Company has not adopted Practice 5.9 of the Malaysian Code of Corporate Governance 2021 (“MCCG”) as the board did not comprise at least 30% women directors. The Company has only one woman, representing 20% of the Board members.

Company’s response:

The Board will endeavour to source for more female appointments as and when there is a vacancy.

What is the timeline for the Company to apply Practice 5.9?

The Group is in compliance with Chapter 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad by having a female director on the Board. However, the Board recognises the recommendation of the Practice 5.9 of MCCG 2021 to have at least 30% women directors on the Board. The Board has not set any timeframe for the application of Practice 5.9, and will continue to review the composition of the Board.

THANK YOU