



**QUESTIONS BY THE
MINORITY SHAREHOLDERS WATCH GROUP**

QUESTION 1

The First Supplemental Deed of Employee Share Trust Scheme, (“ESTS”) dated 10 February 2009 to amend the definition of “Eligible Employees” to exclude the Executive Directors and persons connected to the Executive Directors. (Page of 145 AR)

- a. The beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group, which may include Executive Directors of the Company, who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period. Why does the Supplemental Deed of ESTS exclude Executive Directors and persons connected to Executive Directors as the original version of ESTS includes them?
- b. Has the Company granted any ESTS to any Non-Executive Directors of the Company? If yes, please name the directors and the allotment for each of them.

Answer:

- a. The Company had, vide DCR No. 6/2009 dated 6 February 2009, approved to expressly exclude Executive Directors and any persons connected to such Executive Director under the definition to “Eligible Employees” in Clause 1.1 of the Trust Deed as proposed by Management.**
- b. No ESTS is granted to Non-Executive Directors of the Company.**

QUESTION 2

The Board had on 3 February 2009 resolved to increase the total shares to be purchased under the Employee Share Trust Scheme, ("ESTS") by 5 million to 20 million shares and the amount required to purchase the total shares shall not exceed RM19 million. The Company's Employee Share Trust Scheme, ("ESTS") with an original allotment of or warrants to 55,124,998 shares and/or warrants and to increase the amount required to purchase the ESTS shares from RM27 million to RM36.7 million. (Page 145 of AR)

a) Why does the Company keep on increasing the ESTS allotment from the original 5 million or RM19 million to RM36.7 million?

Answer:

The Company has to keep on increasing the allotment of ESTS shares from the original 5 million number of shares of not exceeding RM19 million to 55,124,998 shares of not exceeding RM36.7 million was due to the following reasons:-

- (i) in order to reduce the average price of ESTS as to attain/reduce the minimum selling price allowable so that the Company will not have to dispose the ESTS shares at a loss under the unfavorable market condition;**
- (ii) received dividend-in-specie by way of distribution of treasury shares;**
- (iii) subscription of Rights Shares; and**
- (iv) subscription of shares under Dividend Reinvestment Plan.**

QUESTION 2 (CONT)

b) What is the maximum allowable allotment of ESTS under the scheme?

Answer:

There is no maximum allowable allotment of ESTS shares under the scheme. The Board may from time to time, resolve and approve the increase in the number of total shares of ESTS to be purchased and the amount required to purchase such number of ESTS shares as and when deemed required.

QUESTION 3

Plans are also underway to incorporate renewable energy systems into the project, such as the installation of solar panels by the end of 2023, to help reduce our reliance on fossil fuel-based energy sources and promote a greener energy mix for the Menara Symphony building. Page 38 of AR)

a) What is the CAPEX to be incurred in the installation of the solar panels?

Answer:

The total CAPEX required for the installation of solar panel is RM540,000.00 and we are expected to get double tax deduction and the net CAPEX should be approximately RM280,000.00

b) When is the installation of the solar panels expected to be completed?

Answer:

The installation is expected to be completed by December 2023.

c) What is the expected saving in electricity bill from the installation of the solar panels?

Answer:

The expected saving as per the vendor's calculation is about RM8,000.00 per month.

QUESTION 3 (CONT)

d) What other energy saving initiatives does the Group have or is about to implement apart from the solar panels?

Answer:

Menara Symphony has implemented the following energy saving initiative by reducing the energy consumption for cooling load while maintaining scenic visibility, heat radiation through the building envelope via :

- i) Low-E laminated and solar reflective coated glazing on façade of the building**
- ii) Vertical sun-shading fins on the podium car park façade**
- iii) Energy Management System, is designed specifically for the automated control and monitoring of those electromechanical facilities in the building via VRF air-conditioning system that features temperature control and with the flexibility of zoning selection.**
- iv) Energy saving LED and T5 lighting area used according to occupancy and/or luminance of a particular area.**

e) Does the Group have any plans to install solar panels on the roof top of the Langkawi Fare Mall? If yes, when? If not, why not?

Answer:

We have intention to install solar panel at Langkawi next year, 1Q or 3Q.

QUESTION 4

The Group has collaborated with Maybank to address the challenges that many individuals face in their homeownership journey through Maybank's Houzkey scheme. (Page 37 of AR):

(a) What is the number and value of houses that have been sold via the Maybank's Houzkey scheme since inception?

Answer:

Total cases to date is about 60 units with a total sales value of RM68mil approximately.

(b) What were the challenges faced by the Group in the Maybank's Houzkey scheme?

Answer:

- I. Effect on company cashflow as there is retention sum of 15% approximately of loan amount to be withheld by the bank up to 5 years period.**
- II. Prospect of recovery of retention sum will be affected if purchaser/borrower walkaway and the bank sell the property lower than the loan amount.**

QUESTION 5

The Board mentioned in its reply to MSWG's questions last year that Audit and Risk Management Committee has appointed an independent forensic auditor, Crowe Malaysia PLT to investigate further on the alleged unauthorized payment of RM4.4 million by Prima Nova Harta Development Sdn Bhd, to Millenium Land Sdn Bhd. The investigation was supposed to be completed by the end of September 2022.

What are the findings of Crowe Malaysia PLT, and what actions have been taken on the findings?

Answer:

At the Audit and Risk Management Committee ("ARMC")'s Meeting held on 21 February 2023, the ARMC Chairman informed that he has received the Forensic Report from Crowe Malaysia PLT.

The ARMC Chairman highlighted that according to the Forensic Report, the Group CEO had discharged his duty with the level of attention, competency and effort that was expected in his role. He had exercised his power for a proper purpose and in good faith, ensuring that the interests of the Group were prioritised, in compliance with his employment obligation and the relevant provisions of the Companies Act 2016 and the Capital Markets and Services Act 2007. The Forensic Report also concluded that there has been no abuse of power, misconduct and breach of fiduciary duty on his part. The payment of RM4.4 million cash was a business decision and it was within the bounds of existing practices and procedures.

QUESTION 5 (CONT)

The ARMC Chairman opined that the Committee do not wish for the matter to drag on indefinitely. As the ARMC does not question the professionalism of the Forensic Report, as such the Chairman recommended the same for the Board's concurrence.

The conclusion in the forensic report was accepted by the Board and the whistleblowing matter was thereby deemed closed and the same was updated to Corporate Surveillance & Governance, Bursa Securities Berhad.



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