



BINTAI KINDEN CORPORATION BERHAD
 [Registration No. 199401005191 (Company No. 290870-P)]
 (“BKCB” or “Company”)
 (Incorporated in Malaysia)

SUMMARY OF KEY MATTERS discussed at the Twenty Eighthth (“28th”) Annual General Meeting (“AGM”) of the Company held online via the Remote Participation Voting (“RPV”) facilities provided by One Capital Market Services Sdn Bhd on Thursday, 15 September 2022 at 10:00 a.m.

NO.	COMMENTS / QUESTIONS RAISED BY SHAREHOLDERS/PROXY HOLDERS	RESPONSES/ANSWERS FROM/CHAIRMAN CHIEF EXECUTIVE OFFICER/MANAGEMENT
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A. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP

Operational & Financial Matters

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| 1. | The Company’s annual report does not disclose any 5-year financial highlights to show some useful financial indicators such as revenue, profit/loss before tax, profit/loss after tax, gearing, return on equity, net assets per share, dividend per share, dividend payout ratio, share price. | Noted and Bintai Group will try to improve the presentation in the future. |
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Please provide this information in future annual reports, as it would be more meaningful to shareholders. At a snapshot, they can see past financial performance and the trend.

2. The group’s segment profit/(loss), total group revenue and (loss)/profit attributable to owners of the Company in the past 5 years are shown below:

	Specialised mechanical & electrical engineering (RM'000)	Concession arrangements (RM'000)	Investment holdings & others (RM'000)	Total Group revenue (RM'000)	(Loss)/profit attributable to owners of the Company (RM'000)
FY2018	(4,205)	(1,405)	7,101	219,051	4,951
FY2019	(2,905)	3,542	576	147,139	335
FY2020	(7,903)	(96)	375	89,868	(359)
FY2021	(4,404)	4,139	(4,275)	58,262	(9,297)
FY2022	(1,073)	5,518	(3,141)	96,262	4,271

[Source: Company annual reports]

As shown in the table above, the group’s performance in the specialised mechanical & Electrical engineering (M&E) segment has been relatively weak, with the segment reporting large losses in the past 5 years.

- (a) What are the factors, e.g. rising raw material costs, manpower costs, technology-related in M&E segment, that have eroded the group's profitability in the past 3-4 years?

In 2018, the construction sector started to slow down in Malaysia. The US Dollar exchange rate had rose substantially against Ringgit Malaysia causing the cost of materials particularly, the essential items to rise tremendously.

The fluctuation in the price of copper and other relevant raw materials had nevertheless, trimmed down our profitability margin derived from the M&E segment. Due to the slowing down in the overall construction segment, many foreign workers have returned to their home countries and hence, became a challenge for us to source for foreign manpower with experience and valid working permits that may incur additional cost to hire.

And in 2020, like many other countries, Malaysia was badly affected by the COVID-19 pandemic which caused a negative impact on the economic growth. The negative impact from Covid-19 pandemic and the various phases of Movement Control Order ("MCO") has caused a slowdown in the M&E segment. Our M&E segments was hugely affected as most of our projects were delayed and no billing during that period.

As we are moving forward, construction industry had picked up again in 2021 with an improved economic growth that seen an improvement in the profit margin for the M&E segment. However, the industry was still impacted by the increased raw material prices caused by the appreciation of US Dollars which is the common currency used for imported materials.

- (b) M&E Division is the core business of the group. As such, is management sufficiently focused on the profitability of this segment as opposed to securing new projects for additional revenue which may have low margins?

Our management has implemented a formal guideline to weight and review various aspects ranging from contract terms and conditions, regular project review, training and performance review amongst our team in order to avoid any issues which may result in lower margin.

However, in certain sectors, the low margins are dictated by the particular industry such as the Power Sub Station projects where tenderers submit very competitive tenders to secure the project. To stay in the competitive industry, our M&E resources are required to be continuously trained in these areas despite the lower margins. Therefore,

it is still necessary for Bintai to participate in this type of projects.

This is to enable our engineers and team to be better trained for the next future projects. Our proven practice is the reason why Bintai is sought by the market by our vast experience that we have accumulated over the years.

(c) What is M&E Division's current outstanding order book as of 31 August 2022? How much of the group's pre-pandemic order book has yet to be completed?

As of 31 August 2022, total unbilled order book is approximately RM113million and part of the RM20million being pre-pandemic order book has yet to be completed.

(d) Given the rising raw materials and labour costs, how has management factored in these uncertainties in the new contracts

The Management will forecast and consider for a risk allocation of prices for equipment that are subject to price fluctuations for new contracts.

The tendering department will monitor regularly on the construction market news and the various market material and equipment prices that are subject to fluctuations. This will help the tendering department price more accurately when entering into new contracts.

At the same time, project team will always negotiate with the clients to get variation orders when are any unexpected uncertainties in material price fluctuation that has occurred due to situation beyond our control in order to mitigate the risk of loss making

(e) Has the group maintained its competitiveness given that the Company has nearly three decades of industry-related experience? What are the key value drivers and strategy to improve the group's profitability in the M&E segment?

Over the years, Bintai has undertaken various types of M&E Projects for various construction sectors. From these projects, our M&E Team has obtained the broad experience and are now well trained to undertake various types of M&E Projects.

Further, we also foster close relationships with our clients and suppliers, therefore gaining comprehensive sector knowledge to enable us to anticipate changes in the market conditions at an early stage and this makes us become more competitive in the market

3. The Group's diversification into Energy and Property Development segments are expected to contribute positively to the current and future financial years. The Energy segment has in recent months achieved some orders and these are expected to increase in the near future. Whereas the Property Development segment will only start

contributing upon its sales launch. (page 9 of Annual Report (AR) 2022)

- (a) When does the Group expect the Energy segment to start contributing to the Group’s profitability?

Currently, Energy segment has commenced its business activity in the 1st Quarter of financial year ending 2023 ie for quarter ended 30 June 2022 (“Q1 2023”). Bintai has been awarded contracts involving the supply of high-grade carbon steel/stainless steel piping, valves and piping accessories to various established companies in connection with the oil and gas sector.

As of today, the total accumulated sub-contracts secured is RM9.0million. The revenue contributed by Energy segment in Q1 2023 about RM831k.

Furthermore, our subsidiary, Bintai Energy Sdn Bhd has obtained a license and registration certificate to Supply Product/Services to Exploration and Oil/Gas Companies in Malaysia from PETRONAS. We believe there will be more contribution coming from Energy segment in future

- (b) Currently, the Group does not have any on-going property development project. Please update on the Holistica Penang project e.g. status of authority’s approvals, targeted commencement of construction, targeted launch date etc.

Since Construction Sector has just improved from 2021, we are still reviewing on the proposed development project in Penang to be in line with the market’s required demand and necessity. Further step in securing approval from the authority shall be executed once the final details of the Holistica Penang had been established.

4. The Group’s fair value of investment in quoted shares in Malaysia was RM83,000 in FY2021 and RM6,532,000 in FY2022. (page 91 of AR2022)

- (a) What was the reason for the investment in quoted shares in Malaysia? Please provide the stock name and value of the investments in quoted shares for FY2022.

Stock Name	Value as of FY2022 (RM’000)
MGRC	5,156
BDB	1,300
L&G	76
TOTAL	6,532

The investment in quoted shares is for strategic investment purpose.

The Management foresee valuable opportunities for possible collaboration between Bintai and MGRC in leveraging each other’s strengths in healthcare segment. This is also to support Bintai’s aim to diversify into healthcare sector through the acquisition of Johnson Medical International Sdn Bhd in November 2021.

- (b) What is the investment mandate for the group's equity investment? Bintai invest in companies where it forecast to have good future returns.
- (c) Is there a robust risk management framework in place for such investments? What is the level of oversight by the Board on such investments? The various investment information will be proposed by the Executive Committee tabulating the detailed strength, weaknesses, opportunities and threats ("SWOT Analysis") to the Strategic and Investment Committee who will then discuss, review and recommend to the Board of Directors for approval.
5. There is an impairment loss of the group's trade receivables amounting to RM6.1 million (FY2021: RM Nil) in FY2022. These impaired receivables are mainly related to contract customers which are facing difficulties in cash flow. (Note 30 to the financial statements, page 112 of the AR2022)
- (a) How much of these impairments have been recovered to-date? What are the efforts made by management to recover these outstanding trade receivables? Currently, we have sent out payment demand letters to our long outstanding debtors and seek for legal action if needed. We also have issued the Notice to Arbitrate and Statement of Claim to claim in relation to the long outstanding to one of our customers/debtors.
- We have been closely monitoring and following up with our customers to ensure the payment is collectible. As of today, an amount of RM105,000 have been recovered from these trade receivables.
- (b) What percentage of these impairments are expected to be non-recoverable? We did our best to follow up the collection, expected at least 50% of the impairment can be recovered but not in short time period.
- (c) Are impairments expected to increase, going forward? During the FY2022, those long outstanding bad debts have been fully impaired. As of to-date, we are not expecting any further impairment on long outstanding bad debts.
6. Optimal Property Management Sdn Bhd (OPM), a wholly owned subsidiary of BKCB is currently in a legal suit with Kolej Teknologi Islam Melaka Berhad (KTIMB) over the outstanding concession receivables of RM36.3 million owing by KTIMB. (Note 35 to the financial statements, page 129 of the AR 2022)
- The Court has rescheduled the trials dates on 13 July 2023 to 14 July 2023. Meanwhile OPM is also taking proactive approaches to seek for amicable solutions through various discussions with KTIMB and the State Agency.
- What is the status of the legal suit filed for the outstanding concession receivables?

Corporate Governance Matters

7. To promote greater diversity and inclusivity in Listed Issuers' board of directors, Bursa Malaysia (via its letter dated 19 January 2022 to the Company Secretary of Main Market Listed Issuers) had amended the Listing Requirements to mandate Listed Issuer to have at least 1 woman director on its board.
- The Company has been actively seeking suitable female directors to be appointed by June 2023.

It was mentioned in page 20 of the annual report that the Company shall comply with this new ruling prior to 30 June 2023. What is the progress in identifying suitable candidates? How many candidates were interviewed and shortlisted?

8. Practice 5.9 of the Malaysian Code of Corporate Governance stipulates that 30% of the Board should comprise women. The Company has departed from adopting the said Practice, in explaining the departure it was stated that the Board has yet to set up the gender diversity policy taking into account the nature of business of the Company in the field of engineering and construction are mainly dominated by male. (page 24 of the Corporate Governance Report 2022)
- The Company will be definitely appointing at least one or more female directors by June 2023 to comply with the gender diversity policy to be formed in the future.

As of FY2022, there was no woman director out of the 7 directors on the Board. Does the Company intend to apply Practice 5.9? If so, by when?

B. PRE-MEETING QUESTION FROM SHAREHOLDER

1. In regard to the key audit matter mentioned in page 48 of Bintai Kinden's Annual Report 2022 referencing the Recoverability of Concession and Trade Receivables under a concession arrangement between Optimal Property Management Sdn Bhd ("OPM") and Kolej Teknologi Islam Melaka Berhad ("KTIMB") for the in-campus accommodation project for University Melaka ("UNIMEL") or formerly known as Kolej University Islam Melaka ("KUIM").

- (a) What is the Board and management doing in regard to recovering the money owed?
- The management is aware that our shareholders are very concern on the outstanding amount owing by KTIMB and OPM but rest assured that the management is doing the best that they could to resolve the matter.

For the outstanding debts by KTIMB, OPM had initiated legal proceedings against KTIMB and the High Court has fixed the trial dates from 13 July 2023 to 14 July 2023.

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| (b) Has the management been in contact with officials from Universiti of Melaka? | Concurrently, we are in discussions with the officers from UNIMEL and the State Government of Melaka towards an amicable solution. |
| (c) What is the status of discussion with Universiti Melaka? | At the moment, the discussions are still ongoing and have yet to reach a solution. |
| (d) When can we expect to hear of a solution to the matter? | The timeline is not determinable at this juncture, however, in the interests of all parties including the financier, we hope to resolve the matter as soon as possible. |
| (e) What is the status of the proposal to get the concession grantor to pledge property valued at RM42.5 million? | With regards pledging of assets, we can only confirm that the matter has been discussed at length, but there nothing concrete has been set at the moment. In general, we also wish to update all shareholders that the management remain optimistic that this matter will be resolved amicably as UNIMEL has been consistently making partial payment for the past nine months. We shall updating all shareholders for the time to time on the progress of this matter. |

All the resolutions set out in the Notice of the Company's AGM were put to vote by poll where all were duly carried.

Dated : 15 September 2022