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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

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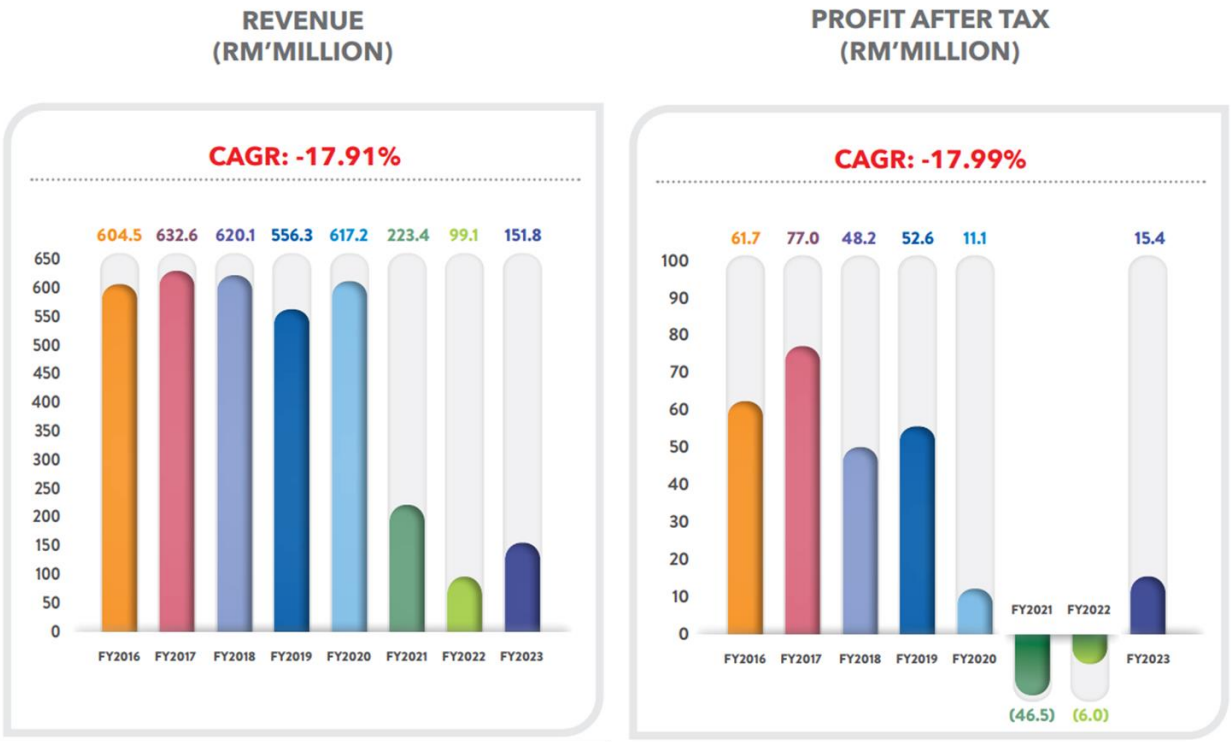
Meeting details:
Date: 27 June 2023
Time: 11.00 a.m.
Venue: <<live webcast>>

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Q1. For the financial year ended 28 February 2023 ("FY2023"), the group recognised revenue of RM151.8 million, an increase of RM52.7 million or 53.1%. Net profit for FY2023 was RM15.4 million as compared to a net loss of RM(6.0) million for FY2022.

Management has attributed the improvement to the full resumption of the group's retail outlets following the easing of pandemic restrictions and the reopening of international borders as well as effective cost optimisation measures.

Nevertheless, as shown in the financial highlights (page 6 of the annual report), revenue is approximately a quarter of the pre-COVID level of ~RM600 million.



(Adapted from company annual report)

(i) **What strategy does the management have in place to restore the group's revenue and profitability back to the pre-COVID levels?**

(ii) **Can management (re)state its operational priorities in FY2024?**

(iii) **How have the group's operations evolved over the past 3-5 years in response to the pandemic and changes in consumption behaviour and patterns?**

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Q2. As shown in Note 16 Trade and other receivables (pages 121 to 122), the group has RM40.3 million due from Berjaya Waterfront Sdn. Bhd. (BWSB). The amount due from BWSB is related to the uncollected portion of the sale consideration for the group's interests over leasehold properties in the Zon Johor Bahru, which was completed in March 2013. The balance of RM40.0 million was scheduled to be repaid on or before 15 April 2023. On 15 April 2023, both parties have mutually agreed that BWSB shall pay the remaining deferred consideration of RM40.0 million on or before 15 April 2024 and BWSB will continue to pay interest at the rate of 7% per annum on the unpaid consideration on a quarterly basis.

The amount is guaranteed by BWSB's holding company.

16. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	2,199	1,780	–	–
Allowance for impairment	(218)	(746)	–	–
Trade receivables, net	1,981	1,034	–	–
Other receivables				
Deposits	3,064	5,373	–	–
Due from Berjaya Waterfront Sdn. Bhd.	40,338	40,434	–	–
Sundry receivables	1,218	2,074	355	125
Allowance for impairment	(68)	(141)	–	–
Other receivables, net	44,552	47,740	355	125
Total trade and other receivables	46,533	48,774	355	125
Add: Cash and bank balances (Note 20)	156,919	153,401	90,356	83,970
Less: Goods and Services Tax receivable	–	(1,225)	–	–
Total financial assets at amortised cost	203,452	200,950	90,711	84,095

(Source: company annual report; emphasis added)

(i) **Can the board, especially the independent directors, help shareholders better understand the reasons why the group has been unable to collect the RM40 million outstanding from BWSB?**

(ii) **Who was in-charge of negotiating the deferment of the payment on behalf of the group in April 2023? Was the decision pre-approved by the board? If so, what was the rationale behind deferring the collection of the RM40 million for a transaction that took place in March 2013, more than a decade ago?**

(iii) **Would the independent directors look into how it could help the group to collect the amount due from BWSB on or before 15 April 2024?**

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Q3. The three independent directors, namely General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired), Dato' Megat Hisham bin Megat Mahmud and Mr Chew Soo Lin, were first appointed on 7 January 2011, 9 July 2013 and 26 August 2011 respectively.

Accordingly, all the three independent directors have served on the board beyond nine years from the date of their initial appointment.

On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced that it will limit the tenure of independent directors (IDs) serving on the boards of listed issuers to nine years [1]. This stemmed from recommendations by the Corporate Governance Advisory Committee. There was broad market support for this change during the public consultation carried out by SGX RegCo.

Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.

The nominating committee (NC) has disclosed that the potential candidate may be proposed by the existing directors, substantial shareholders, management or through third party referrals. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities.

(i) **Has the NC reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?**

(ii) **What is the progress made by the NC in identifying potential director candidates?**

(iii) **Has the NC considered if the use of directors/management's personal network as a source of candidate might impair or compromise the level of diversity and independence within the board?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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[1] https://www.sgxgroup.com/media-centre/20230111-sgx-regco-caps-independent-directors-tenure-enhances-remuneration

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