

ACME HOLDINGS BERHAD
Company No. 198901012432 (189740-X)
(Incorporated in Malaysia)

MINUTES OF ANNUAL GENERAL MEETING

MINUTES OF THE THIRTY-THIRD ANNUAL GENERAL MEETING HELD ON A FULLY VIRTUAL BASIS VIA THE ONLINE MEETING PLATFORM PROVIDED BY BRAXTON CONSULTING SDN BHD IN MALAYSIA VIA ITS WEBSITE AT WWW.REGISTRAR-BRAXTON.COM.MY (DOMAIN REGISTRATION NUMBER D1A459047) ON TUESDAY, 29 AUGUST 2023 AT 10.30 A.M.

ATTENDANCE: As per attendance list

1. COMMENCEMENT

At 10.30 a.m. the Chairman of the Meeting Mr. Lim Shiou Ghay (“Chairman”), called the meeting to order and welcomed all members and proxies for participating in the Company’s Thirty-Third Annual General Meeting (“33rd AGM” or “Meeting”) remotely from their respective locations. The Chairman introduced the following Directors, Secretary and Auditors who were present in the broadcast venue and present virtually for this 33rd AGM:

- a) Mr Lee Thean Yew, the Executive Director;
- b) Mr Tan Chee Keong, the Independent Non-Executive Director;
- c) Mr Lee Chiong Meng, the Independent Non-Executive Director;
- d) Ms Loh Keow Lin, the Independent Non-Executive Director;
- e) Ms Hing Poe Pyng, the Company Secretary; and
- f) Representative from Grant Thornton Malaysia PLT

2. QUORUM

The Chairman confirmed a quorum was present.

3. NOTICE OF MEETING

The Chairman informed the Meeting that the notice of 33rd AGM having been circulated within the statutory period, was taken as read.

4. PROCEDURES TO CONVENE THE AGM

The Chairman informed the Meeting that pursuant to Paragraph 8.29A(1) of the Bursa Malaysia Securities Berhad Listing Requirements (“Listing Requirements”), all resolutions set out in the notice of General Meeting are to be voted by poll and pursuant to Paragraph 8.29A(2) of the Listing Requirements at least one scrutineer be appointed to validate the votes cast.

The Company had appointed Braxton Consulting Sdn Bhd (“Braxton”) as Poll Administrator and Symphony Corporate Sdn. Bhd as the Scrutineer to conduct the polling process and to verify the poll results respectively.

Shareholders were informed that the polling process would be conducted upon the completion of the deliberations of all items on the agenda.

The Chairman informed that Mr. Ong Yean Kooi, a shareholder of the Company and Ms. Valerian Yeap Teng Hun, the proxy of WWT Wellness Solutions Sdn Bhd have agreed to be the proposer and seconder respectively for all 6 resolutions.

He then explained that the shareholders and proxies may use the text box within the same e-Portal page to submit their questions and the Company shall then answer the questions accordingly after all the resolutions have been tabled.

5. AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Members were informed by the Chairman that the audited financial statements of the Company for the financial year ended 31 March 2023 together with the reports of the Directors and Auditors (“AFS”) were for discussion purposes only as the provision of Section 340(1)(a) of the Companies Act 2016 do not require members’ approval for the AFS. Therefore, this item would not be put forward for voting.

The Chairman informed that the AFS were duly tabled and deemed received by the shareholders before the Meeting.

**6. ORDINARY RESOLUTION 1
APPROVAL OF PAYMENT OF DIRECTORS’ FEES AND DIRECTORS’ BENEFITS UP TO RM180,000.00 FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024**

The Chairman informed the Meeting that Ordinary Resolution 1 was to approve the payment of Directors’ fees and Directors’ benefits of up to RM180,000.00 for the financial year ending 31 March 2024.

**7. ORDINARY RESOLUTION 2
TO RE-ELECT MR. TAN CHEE KEONG WHO RETIRES IN ACCORDANCE WITH THE COMPANY’S CONSTITUTION PURSUANT TO ARTICLE 111 OF THE COMPANY’S CONSTITUTION**

The Chairman informed the Meeting that Ordinary Resolution 2 was to re-elect Mr Tan Chee Keong who retires as Director under Article 111 of the Company’s Constitution, and being eligible had offered himself for re-election.

**8. ORDINARY RESOLUTION 3
TO RE-ELECT MR. LEE THEAN YEW WHO RETIRES IN ACCORDANCE WITH THE COMPANY’S CONSTITUTION PURSUANT TO ARTICLE 118 OF THE COMPANY’S CONSTITUTION**

The Chairman informed the Meeting that Ordinary Resolution 3 was to re-elect Mr Lee Thean Yew who retires as Director under Article 118 of the Company’s Constitution, and being eligible had offered himself for re-election.

9. **ORDINARY RESOLUTION 4
TO RE-ELECT MS. LOH KEOW LIN WHO RETIRES IN ACCORDANCE WITH THE
COMPANY'S CONSTITUTION PURSUANT TO ARTICLE 118 OF THE COMPANY'S
CONSTITUTION**

The Chairman informed the Meeting that the Ordinary Resolution 4 was to re-elect Ms Loh Keow Lin who retires as Director under Article 118 of the Company's Constitution, and being eligible had offered herself for re-election.

10. **ORDINARY RESOLUTION 5
TO RE-APPOINT GRANT THORNTON MALAYSIA PLT AS AUDITORS OF THE
COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL
MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman informed the Meeting that Ordinary Resolution 5 was to re-appoint Messrs. Grant Thornton Malaysia PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

11. **ORDINARY RESOLUTION 6
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND
76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

The Chairman informed the Meeting that Ordinary Resolution 6 was the authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act 2016 and waiver of pre-emptive rights.

12. **OTHER BUSINESS**

The Chairman informed the members that no notice for any other business was received.

13. **QUESTION AND ANSWER SESSION**

Written queries from Minority Shareholders Watch Group ("MSWG")

Then Chairman informed the shareholders that the Company had received written queries from MSWG. The written queries from MSWG and response from management were presented in the meeting and a copy of which is attached herein as Appendix I.

There being no further queries from MSWG and the shareholders, the Chairman proceeded with the poll voting.

14. **POLLING PROCESS**

At 10.45 a.m., the Chairman reminded members to vote via the online platform as the voting session would continue for another 5 minutes.

At 10.50 a.m., the Chairman announced that the voting session for the 33rd AGM had ended.

He informed members that the Meeting would adjourn to allow tabulation and verification of poll results.

15. ANNOUNCEMENT OF POLL RESULT

At 11.00 a.m., the Chairman called the Meeting to order for the declaration of results.

The poll results were as attached herein as Appendix II.

The Chairman declared that all resolutions were duly passed.

16. TERMINATION

There being no other matters to discuss, the meeting ended at 11.02 a.m. with vote of thanks to the Chairman.

CONFIRMED CORRECT,

LIM SHIOU GHAY
Chairman

Date: 29 August 2023

ACME HOLDINGS BERHAD

Company No. 198901012432 (189740-X)

51-8-A Menara BHL Bank

Jalan Sultan Ahmad Shah

10050 Penang

Date: 29 August 2023

Minority Shareholders Watch Group

Level 23, Unit 23-2, Menara AIA Sentral

No. 30 Jalan Sultan Ismail

50250 Kuala Lumpur

Attention: Mr. Devanesan Evanson

Chief Executive Officer

Dear Sir,

33rd Annual General Meeting (AGM) of ACME HOLDINGS BERHAD ("the Company" or "the Group")

We refer to your letter dated 18 August 2023 and are pleased to furnish herewith the Company's response to the queries raised by Minority Shareholders Watch Group.

Operational and Financial Matters

- 1) The Group recorded other income, compensation received for liquidated ascertained damages, ("LAD") of an amount of RM 2,610,000 in FY 2023 as compared to RM Nil in FY 2022. (Page 99 of AR)

The LAD was received from Pelana Tenggara Sdn. Bhd., ("Pelana Tenggara"), where the major shareholder of Pelana Tenggara is an immediate family member of a substantial shareholder of the Company. (Page 107 of AR)

- (a) Please name the substantial shareholder of the company that relates to Pelana Tenggara.

WWT Wellness Solutions Sdn. Bhd.

- (b) To which of the Company's property project does the LAD relate to?

The LAD received is in respect of a block of low-cost flats located in Teluk Air Tawar, Seberang Perai Utara in Penang.

- (c) Did the Group have to pay any LAD to its new home buyers due to the late completion of the property project by Pelana Tenggara? If yes, what is the the amount paid?

No. The Group was granted an extension of time of 167 days by the Housing Ministry for delivery of vacant possession to the home buyers.

- (d) Why did the Company still appoint Pelana Tenggara as a sub-contractor for the Company's project as it has paid a deposit of RM 2,817,879 to Pelana as it has the record of not completing the property project given within the agreed time frame as it has paid LAD to the Company? (Page 108 of AR)

The delay in completion of the low-cost flats is mainly attributed to Movement Control Order (MCO) implemented by our government following the outbreak of Covid-19 in year 2020. The delay was further worsened by massive shortage of labour and a surge in building materials prices. It should be noted that Pelana Tenggara was awarded a contract in year 2013 to construct 3 blocks of 12-storey condominiums located in Teluk Air Tawar, Seberang Perai Utara, Penang which it managed to complete successfully within the stipulated deadline. Pelana Tenggara was also awarded another contract in year 2013 to construct 1 block of 7-storey low cost flats which was carried out without delay.

- (e) What measures has the Group taken to ensure that Pelana Tenggara will complete the construction of the Company's property project that was awarded by the Company within the stipulated time frame?

Measures taken include:

- a) close monitoring of construction progress against pre-agreed project timeline*
- b) supervision of quality of workmanship and building materials used*

- 2) The Group has entered a joint venture agreement with Koperasi Kampung and Melayu Balik Pulau Berhad with a Gross Development Value ("GDV") of RM1.4 billion. It has also entered a Development Agreement with Pertubuhan Keselamatan Sosial ("PERKESO") with Gross Development Values of RM1.46 billion. (Page 7 of AR)

- (a) Kindly explain how the Company will be able to manage these two projects due to the massive GDVs stated as the Company has only undertaken property projects of much lesser values and scale.

Joint Development Agreement (JDA) with Pertubuhan Keselamatan Sosial

This development project is expected to commence in early 2025 only. We foresee that our existing projects will be in advanced stage of construction by then thus we will be able to concentrate our resources on this project. We also allocated a longer lead time to start

development of this project as we want to ensure that we properly plan a premium property product that will be well received by homebuyers. Apart from that, we have appointed a team of well-established technical consultants to assist in the execution of this project.

Joint Venture Agreement (JVA) with Koperasi Kampung Melayu Balik Pulau Berhad

This development project is expected to commence in late 2026. We have proposed a multi-phased integrated development project with development period of 17 years. Thus, we are confident that we have ample time and resources to complete this project successfully.

- (b) What will be the challenges faced by the Group in carrying out these two projects and what measures will be taken to overcome them?

We do not foresee major challenges in the development of these two projects. For Balik Pulau project, we have planned a multi-phased (over 17 years) integrated township comprising residential and commercial properties in a sustainable environment with ample green features, amenities and facilities of a self-contained community living.

For the joint-venture project with Perkeso, the proposed development is for 2 blocks of high-end luxury serviced apartments located within the vicinity of KLCC and other high-end properties in the KLCC precinct which includes the KLCC Convention Centre, Grand Hyatt Kuala Lumpur, Menara Exxon Mobil. The pricing is expected to be slightly lower than that of similar developments within the same location thus we foresee a good take-up rate for this project. In addition, the residential property market is expected to improve further by year 2025.

- (c) What are the target dates for the launch of the projects?

The Perkeso project is expected to commence in early 2025 while the Balik Pulau project is scheduled to be launched in late 2026.

- 3) On 7 November 2022, the Group had through its wholly-owned subsidiary Ayana Bayu Sdn Bhd, entered into a Joint Venture Agreement with Koperasi Kampung Melayu Balik Pulau Berhad to jointly develop 7 pieces of land located at Balik Pulau, Penang with total land area of approximately 178.34 acres into a multi-phased integrated development which is projected to generate a gross development value of approximately RM1.40 billion. (Page7 of AR)

- (a) What is the Group's share of profit from this joint venture project?

The Group is entitled to 83% of the Gross Development Value (GDV).

(b) What is the master plan for this joint venture project?

Lot No.	Phases	Multi-phased integrated development
Lot 261	Phase 1	Residential (landed) 29 units of bungalows, 64 units of semi-detached, 346 units of terrace, 14 units of shop offices;
Lot 270		
Lot 803	Phase 2	Residential (landed) consisting of 276 units of terrace;
	Phase 3	Residential (landed) consisting of 18 units of bungalow, 202 units of terrace, 40 units of shop offices;
	Phase 4	Residential (landed) consisting of 2 units of bungalow, 44 units of semidetached, 197 units of terrace and 60 units of shop offices;
Lot 804	Phase 5	For consists of 825 units of low medium costs of flats and 11 units of shop office;
Lot 254	Phase 6	Mosque and school
Lot 803	Phase 7	438 units of residential condo
	Phase 8	438 units of residential condo
	Phase 9	438 units of residential condo
Lot 196	Phase 10	Higher educational institution (via sale of vacant land); and such other types of components/developments and other infrastructure and ancillary work on the said Land
Lot 192		
Lot 192		

4) The Group’s 30% joint venture company, Skymind Intelligent Systems Sdn. Bhd. (“SIS”) a manufacturer of hardware devices for artificial intelligence solutions recorded two consecutive years of losses, FY 2023 (RM0.111 million) and FY 2022 (RM0.104 million) (Page 89 of AR)

(a) What were the challenges faced by SIS as it has consistently recorded losses for 2 years?

The challenges faced by SIS include:

a) Slow adoption of artificial intelligence (AI) solutions in Malaysia.

- *The Malaysian market has shown a slower-than-expected adoption rate of AI technologies.*
- *Despite the potential benefits, businesses and industries in Malaysia are taking a cautious approach towards integrating AI into their operations.*
- *This cautious attitude can be attributed to factors such as uncertainty about AI's real-world impact, regulatory concerns, and the need for additional education and training to fully utilize AI solutions.*

b) Pilot tests conducted with potential clients are time consuming and require sufficient data points.

- The process of conducting pilot tests with potential clients to demonstrate the capabilities of the AI solution has proven to be time-consuming.*
- The extended timeline is partly due to the complexity of tailoring the AI solution to the unique needs and requirements of each client.*
- In some cases, additional iterations and adjustments are necessary to ensure the AI solution effectively addresses the specific challenges faced by the client.*

(b) When will SIS turn profitable?

SIS is expected to be profitable once it is able to commercialize its hardware devices as the profit margin is reasonably high. In addition, it has a subscription-based business model that will ensure recurring revenue.

- The company's focus on hardware devices for AI solutions has the potential to yield a reasonably high profit margin.*
- The adoption of a subscription-based business model enhances the revenue predictability and stability.*
- However, achieving profitability hinges on successfully commercializing these hardware devices and scaling up their production.*
- The subscription-based model offers ongoing revenue streams, providing the company with a sustainable source of income over time as clients continue to use and subscribe to the AI services.*

In summary, the development for AI solutions for the Malaysian market faces challenges due to the slow adoption of AI in the region. Pilot tests with potential clients are time-consuming, impacting the speed of implementation. However, the company's hardware devices present an opportunity for profitability with a subscription-based business model, provided that successful commercialization can be achieved. The company is actively working to navigate these challenges and capitalize on the potential for growth in the AI market.

5) The Group's inventory of completed development units stood at RM1.75 million in FY 2023 as compared to RM1.11 million in FY 2022. (Page 90 of AR)

(a) What is the number and value of completed development units added in FY 2023?

<u>Type of property</u>	<u>FY2022</u>		<u>FY2023</u>		<u>Sales status as at 19/8/2023</u>	
	<u>Units</u>	<u>Inventory (RM' mil)</u>	<u>Units</u>	<u>Inventory (RM' mil)</u>	<u>Units</u>	<u>Sales value (RM' mil)</u>
<i>Low-cost flat (phase 1)</i>	5	0.21	3	0.13	1	0.04
<i>Low-cost flat (shop lot)</i>	5	0.90	-	-	-	-
<i>Low-cost flat (phase 2)</i>	-	-	38	1.62	37	1.58
	10	1.11	41	1.75	38	1.62

(b) What are the locations and types of completed units added in FY 2023?

The completed units added in FY2023 comprise of low-cost flats located in Teluk Air Tawar, Seberang Perai Utara in Penang.

(c) Did the Group manage to sell any of the additional completed development units in FY 2024? If yes, what is the number and value?

Yes, please refer to the table in 5(a).

6) In February 2023, the Group has launched a new condominium development project (Marina Residence) which consists of 202 units on 3 blocks of 12-storey condominiums situated in the same township in Seberang Perai Utara, Penang.

(a) What is the Gross development Value of the condominium project?

The GDV for the condominium project is RM100.04 million.

(b) What is the latest take-up rate of each block of the 12-storey condominium?

As at 19 August 2023, the take-up rate for Marina Residence is 78% (158 units).

(c) What is the average selling price of one unit of the condominium?

The average selling price per unit is RM0.50 million (total GDV of RM100.04 million/202 units).

(d) When is the first block of the condominium expected to be completed and what are the completion dates for the 2 blocks of condominiums?

Marina Residence (comprising 3 blocks of 12-storey condominiums that need to be completed concurrently) is expected to be completed within 36 months from March 2023.

We trust the above suffices. Do contact us should you require further clarification and/or information.

Yours faithfully,
For and on behalf of the Board of
ACME Holdings Berhad

LEE THEAN YEW
Executive Director



ACME HOLDINGS BERHAD (198901012432 (189740-X))

33RD ANNUAL GENERAL MEETING

ONLINE MEETING PLATFORM AT WWW.REGISTRAR-BRAXTON.COM.MY AT 51-8-A, MENARA BHL, JALAN SULTAN AHMAD SHAH, 10050 GEORGE TOWN, PULAU PINANG, MALAYSIA.

Tuesday, 29 August 2023 at 10:30 AM

RESULT ON VOTING BY HEAD COUNT

RESOLUTION	VOTED	NO. OF SHAREHOLDERS / UNITHOLDERS	NO. OF SHARES / UNITS	% OF SHARES / UNITS	ABSTAIN * NO. OF SHARES / UNITS
ORDINARY RESOLUTION 1 APPROVAL OF PAYMENT OF DIRECTORS' FEES AND DIRECTORS' BENEFITS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024.	FOR	25	176,244,881	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 2 RE-ELECTION OF MR. TAN CHEE KEONG AS DIRECTOR.	FOR	25	176,244,881	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 3 RE-ELECTION OF MR. LEE THEAN YEW AS DIRECTOR.	FOR	25	176,244,881	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 4 RE-ELECTION OF MS. LOH KEOW LIN AS DIRECTOR.	FOR	25	176,244,881	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 5 RE-APPOINTMENT OF MESSRS. GRANT THORNTON MALAYSIA PLT AS AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION.	FOR	24	176,243,881	99.999433	0
	AGAINST	1	1,000	0.000567	
ORDINARY RESOLUTION 6 AUTHORISE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS.	FOR	23	176,243,781	99.999943	1,000
	AGAINST	1	100	0.000057	

Note: * These votes refer to holders who have pre-determined abstain from voting in the Proxy Form or holders refrained from voting due to conflict of interest.

