

MCT BERHAD
Company Registration No.: 200901038653 (881786-X)
(Incorporated in Malaysia)

Summary of Key Matters Discussed at the Eleventh ("11th") Annual General Meeting ("AGM" or "Meeting") of MCT Berhad ("MCT" or "Company") duly held fully virtual at the Broadcast Venue at the Board Room, 15th Floor, MCT Tower, One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 September 2020 at 2:30 p.m.

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor presided as Chairman of the 11th AGM. The Chairman called the Meeting to order at 2.30 p.m. which was conducted via a fully virtual platform through remote participation and electronic voting after confirmation of the requisite quorum being present pursuant to Clause 70 of the Company's Constitution.

The Company Secretary highlighted to the shareholders that under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 11th AGM must be voted by way of poll, except for Agenda 1 which was in relation to receiving the Company's Audited Financial Statements for the financial year ended 31 December 2019 ("**FY 2019**"), as formal approval from shareholders is not required.

HMC Corporate Services Sdn. Bhd. was the poll administrator for the voting process while Niche & Milestones International Sdn. Bhd. acted as the scrutineer to validate the votes.

The Audited Financial Statements for the FY 2019 together with the Directors' and Auditors Report thereon were received by the shareholders. The seven (7) ordinary resolutions were voted by way of poll via remote participation and electronic voting and were duly passed by the shareholders at the 11th AGM.

The moderator read out the questions pre-submitted by the shareholders prior to the AGM, as shown on the presentation slides during the virtual AGM.

The pre-submitted questions from the shareholders and management's responses in relation thereto were set out in Appendix I.

QUESTIONS RAISED BY SHAREHOLDERS

The questions pre-submitted by the shareholders and corresponding responses from the Chief Executive Officer of the Company at the 11th AGM were summarised as follows:

Question 1:

What is the current land bank size of MCT and the future plans for land banking?

Response by Mr. Teh Heng Chong, the Chief Executive Officer ("CEO"):

Over 80% of our landbank have been earmarked for future developments. 68% of it is from our Cybersouth township.

Our business development plans include spreading our portfolio for development over various growth corridors in the Klang Valley besides Cyberjaya & Cybersouth. Recently we purchase development lands at Tropicana Golf Resort and Metropark Subang.

Question 2:

In the past, there are quality issues for the Company's projects such as LakeFront Residence and completed phases within Cybersouth. Have all these issues been resolved? And moving forward, what are MCT's strategies to address these quality issues?

Response by the CEO:

On quality matter, we have separated it into 2 sections:

(i) Defects works for legacy projects that have been completed

We have been actively addressing the defects issues and we are seeing positive results with the numbers scaling down. We have also appointed external specialist contractors on top of our current team of internal contractors to ensure that these issues are resolved within the set timeframe and to the satisfaction of our customers.

(ii) Newly completed projects onwards

We have reviewed our operations and we have taken the following measures:

- a. We have set up a Project Management ("PM") team to manage and oversee site implementation works by the contractor to ensure quality standards and timeliness in completion which consist of conducting pre-delivery inspections about 6-months before obtaining the Certificate of Completion and Compliance;
- b. All projects will be subjected to external quality assessment by the Construction Industry Development Board ("CIDB") and the Qlassic scores are benchmarked above 70%.

Question 3:

What is the impact of COVID-19 to MCT and strategies undertaken by the Company to negate it? Any plans for corporate restructuring and cost reduction?

Response by the CEO:

The COVID-19 crisis has impacted us on the following areas:

(i) Sales

As within industry norms, our sales was affected. We had to increase our online engagements activities to reach out to prospects and stakeholders alike through the internet and social media platforms.

(ii) Construction progress

The various standard operating procedures (“**SOPs**”) imposed and approvals required by the Government impacted the momentum of construction works at all of our project sites. The slowdown at our project sites affected our timeline of deliveries.

Nevertheless, we have successfully delivered two projects on time, and another two projects are scheduled for handover soon.

(iii) New launches scheduled for the year

We had to scale down our originally planned eight project launches this year to only four due to the uncertain market, project end-financing and project funding requiring longer time for Bank’s approval and delays in local authorities’ approvals of the development plan and permit.

(iv) Land banking plans

We focused on conserving cash during this uncertain time and postponed our 2020 plan to purchase new development lands. However, we are continuously studying these proposals and going through a shortlisting process.

The Company embarked on two major activities to sustain operations and keep the Company afloat:

(i) Manpower Optimisation Program

The Company went through a manpower optimisation programme and consolidation of roles and functions programme as we implement the new operating model as a “full-fledged developer”.

(ii) Implementation of Austerity Program via cost management

The Company implemented an austerity programme via cost management to reduce redundant administrative costs to sustain operation such as consolidation of office workspace, review of utility costs and service contract and dispose of its idle assets.

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Question 4:

What is the dividend policy of the Company? Is there any plan to declare special dividend in the near future, for example, the upcoming quarter?

Response by the CEO:

We are aware that shareholders are hoping for dividends. Due to the current uncertain times during this COVID-19 pandemic, our priority is to efficiently manage our cost and control cash flow. Also, we intend to expand our land bank in the year 2021 and we need to conserve our cash reserves to fund these land purchases

We will look into how we can declare some dividends to reward shareholders in the near future when the economic situation gets better and our balance sheet improves.

The Chairman inquired whether any question was received in the chat box during the Meeting. Mr. Alex Lim, the moderator of the Meeting replied that the Company has received a corporate social responsibility invitation posted by a shareholder. The Chairman delegated the Management to address this invitation after the Meeting vide email.

There being no other business to be transacted, the Meeting terminated at 4.05 p.m. with a vote of thanks extended to the Chair.