

BATU KAWAN BERHAD 196501000504 (6292-U)

Minutes of the Fifty-Eighth Annual General Meeting (“AGM”) of Batu Kawan Berhad (“BKB” or “Company”) held at Conference Room, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak, Malaysia on Thursday, 23 February 2023 at 2.15 p.m.

PRESENT	: Tan Sri Dato’ Seri Lee Oi Hian	- Chairman
	Dato’ Lee Hau Hian	- Managing Director
	Dato’ Yeoh Eng Khoon	- Non-Independent Non-Executive Director
	Mr. Quah Chek Tin	- Non-Independent Non-Executive Director
	Dr. Tunku Alina binti Raja Muhd Alias	- Senior Independent Non-Executive Director
	Tan Sri Rastam bin Mohd Isa	- Independent Non-Executive Director
	Mr. Lee Yuan Zhang	- Non-Independent Non-Executive Director
	Mr. Lim Ban Aik	- Independent Non-Executive Director
	Ms. Susan Yuen Su Min	- Independent Non-Executive Director
	Members in person, by proxies and by representatives as per attendance sheet	
IN ATTENDANCE	Ms. Yap Miow Kien	- Company Secretary
	Mr. Goh Swee Eng	- Chief Financial Officer / Company Secretary
	Ms. Chiew Cindy	- Company Secretary
	Dato’ Gan Ah Tee	} Representatives of External Auditors, BDO PLT
	Mr. Branden Francis Lim Jern Zhen	
	Mr. Rejeesh Balasubramaniam	
	Mr. Samuel Low Kok Sian	
	Representatives of Poll Administrator, Boardroom Share Registrars Sdn Bhd	
	Representatives of Scrutineers, Sky Corporate Services Sdn Bhd	

The attendance of invitees is as per attendance sheet.

1. COMMENCEMENT OF MEETING

The Chairman called the Meeting to order at 2.15 p.m. and extended a warm welcome to the attendees. The Company Secretary, Ms. Yap Miow Kien, confirmed that a quorum was present.

2. PRELIMINARY

The Chairman briefed the members that pursuant to the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), resolutions at the Meeting would be put to vote on a poll through electronic poll voting. The polling process for voting for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

The Company had appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll voting process and Sky Corporate Services Sdn Bhd as the Scrutineers to verify and validate the polling results.

3. NOTICE

The Chairman informed that the Notice of Meeting had been despatched to the members together with the Abridged Annual Report 2022 of the Company on 30 December 2022.

4. AUDITORS’ REPORT

The Auditors’ Report is on pages 212 to 215 of the Annual Report 2022 was taken as read.

5. CHAIRMAN’S STATEMENT

The Chairman informed the members that his commentary on the Group’s performance was in the Chairman’s Statement in the Annual Report 2022.

He then outlined the procedure for the conduct of the Meeting and proposed to take Questions from members after the tabling of all the resolutions. Upon the close of the Questions and Answers session, the motions would then be put to vote by poll.

6. AUDITED FINANCIAL STATEMENTS AND REPORTS

The Chairman informed that the Audited Financial Statements for the year ended 30 September 2022, together with the Directors’ and Auditors’ Reports thereon, are not required to be put forward for voting. Thus, the Audited Financial Statements are tabled at the AGM for discussion only and for the Board to address any queries during the Questions and Answers session.

The Audited Financial Statements for the year ended 30 September 2022, together with the Directors’ and Auditors’ Reports thereon which were laid before the Meeting in compliance with Section 244(2)(a) of the Companies Act 2016, were duly received.

7. RE-ELECTION OF DIRECTORS

(a) RE-ELECTION OF TAN SRI DATO' SERI LEE OI HIAN

The Chairman informed the Meeting that he is seeking re-election as a Director of the Company and therefore, he handed over the Chair to the Senior Independent Non-Executive Director, Dr. Tunku Alina binti Raja Muhd Alias to conduct the proceedings of this business.

Dr. Tunku Alina binti Raja Muhd Alias took over the Chair and informed that Tan Sri Dato' Seri Lee Oi Hian retired by rotation in accordance with the Company's Constitution and, being eligible, offered himself for re-election.

Ms. Thye Lee Ha proposed that the following resolution be put to a vote:

"THAT Tan Sri Dato' Seri Lee Oi Hian who retired by rotation in accordance with the Company's Constitution, be and is hereby re-elected as a Director of the Company."

Having dealt with this resolution, Tan Sri Dato' Seri Lee Oi Hian took over the Chair from Dr. Tunku Alina binti Raja Muhd Alias.

(b) RE-ELECTION OF DATO' LEE HAU HIAN

The Chairman informed that Dato' Lee Hau Hian retired by rotation in accordance with the Company's Constitution and, being eligible, offered himself for re-election.

Mr. Ng Weng Choong proposed that the following resolution be put to a vote:

"THAT Dato' Lee Hau Hian who retired by rotation in accordance with the Company's Constitution, be and is hereby re-elected as a Director of the Company."

(c) RE-ELECTION OF DATO' YEOH ENG KHOON

The Chairman informed that Dato' Yeoh Eng Khoon retired by rotation in accordance with the Company's Constitution and, being eligible, offered himself for re-election.

Mr. Chiew Sing Cheong @ Chew Sing Cheong proposed that the following resolution be put to a vote:

"THAT Dato' Yeoh Eng Khoon who retired by rotation in accordance with the Company's Constitution, be and is hereby re-elected as a Director of the Company."

(d) RE-ELECTION OF MS. SUSAN YUEN SU MIN

The Chairman informed that Ms. Susan Yuen Su Min, who was appointed during the year, retired in accordance with the Company's Constitution and, being eligible, offered herself for re-election.

Encik Md. Shaizatul Azam bin Che Soda proposed that the following resolution be put to a vote:

“THAT Ms. Susan Yuen Su Min who was appointed during the year and retired in accordance with the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

8. PAYMENT OF DIRECTORS’ FEES

The Chairman informed the Meeting that a sum of RM1,392,514 was recommended for payment as Directors’ fees for the year ended 30 September 2022.

Ms. Chang Pooi Yee proposed that the following resolution be put to a vote:

“THAT the payment of Directors’ fees of RM1,392,514 for the financial year ended 30 September 2022 to be divided among the Non-Executive Directors in such manner as the Directors may determine, be and is hereby approved.”

9. PAYMENT OF DIRECTORS’ BENEFITS

Members’ approval was sought on the payment of Directors’ benefits (other than Directors’ fees) to the Directors for the period from the Fifty-Eighth AGM to the next AGM to be held in 2024. These benefits include meeting allowance, overseas travelling allowance and other benefits such as medical, insurance coverage and business travel.

Ms. Thye Lee Ha proposed that the following resolution be put to a vote:

“THAT the payment of Directors’ benefits (other than Directors’ fees) to the Directors for the period from the Fifty-Eighth AGM to the Fifty-Ninth AGM of the Company to be held in 2024 be and is hereby approved.”

10. RE-APPOINTMENT OF AUDITORS

The Auditors, Messrs. BDO PLT retired and offered themselves for re-appointment.

Mr. Ng Weng Choong proposed that the following resolution be put to a vote:

“THAT Messrs. BDO PLT be and are hereby re-appointed as Auditors of the Company at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next AGM.”

11. SPECIAL BUSINESS

(a) ORDINARY RESOLUTION 8 – PROPOSED RENEWAL OF AUTHORITY TO BUY BACK ITS OWN SHARES BY THE COMPANY

The Chairman informed that the following Ordinary Resolution 8 was taken as read:

“THAT authority be given to the Company to buy back an aggregate number of shares in the Company (“Authority to Buy Back Shares”) as may be determined by the Directors from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the best interests of the Company provided that at the time of purchase, the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and that the maximum funds to be allocated for the Authority to Buy Back Shares shall not exceed the latest audited retained profits of the Company;

THAT the shares purchased by the Company pursuant to Authority to Buy Back Shares may be dealt with by the Directors in all or any of the following manner:

- (i) distribute the shares as share dividends to the shareholders; or
- (ii) resell the shares or any of the shares on Bursa Malaysia Securities Berhad; or
- (iii) transfer the shares or any of the shares for the purposes of or under an employees’ share scheme; or
- (iv) transfer the shares or any of the shares as purchase consideration; or
- (v) cancel the shares or any of the shares; or
- (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the Companies Act 2016.

AND THAT the Directors be and are hereby empowered to do all such acts and things to give full effect to the Authority to Buy Back Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities AND THAT such authority shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of a purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority.”

On the proposal of Ms. Thye Lee Ha, the following resolution was put to a vote:

“THAT Ordinary Resolution 8 on the Proposed Renewal of Authority to Buy Back its Own Shares by the Company be passed.”

(b) ORDINARY RESOLUTION 9 – PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed that the following resolution was taken as read:

“THAT subject to the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into all arrangements and/or transactions as set out in Appendix II of the Circular to Shareholders dated 30 December 2022 involving the interests of Directors, major shareholders or persons connected with Directors or major shareholders (“Related Parties”) of the Company and/or its subsidiaries provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group’s day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of minority shareholders,

(“Mandate”).

THAT such authority shall commence upon the passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(1) of the Companies Act 2016 but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate.”

The Chairman declared his interest in the transactions contained in Ordinary Resolution 9 and further informed the Meeting that Dato’ Lee Hau Hian and Mr. Lee Yuan Zhang are also interested parties in the transactions contained in Ordinary Resolution 9 and accordingly, they, together with persons connected with them will not vote on this resolution.

On the proposal of Encik Md. Shaizatul Azam bin Che Soda, the following resolution was put to a vote:

“THAT Ordinary Resolution 9 on the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature be passed.”

(c) ORDINARY RESOLUTION 10 – PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY (“BKB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN BKB SHARES (“DIVIDEND REINVESTMENT PLAN”)

The Chairman informed the Meeting that the members had, at the previous AGM held in 2022, authorised the Directors to allot and issue new BKB Shares under the Dividend Reinvestment Plan, and that such authority will expire at the conclusion of this AGM. He explained that Ordinary Resolution 10, if passed, would give authority to the Directors to allot and issue such BKB Shares pursuant to the Dividend Reinvestment Plan in respect of any dividends to be declared, and that such authority shall expire at the conclusion of the next AGM to be held in 2024.

The Chairman informed that the following Ordinary Resolution 10 was taken as read:

“THAT pursuant to the Dividend Reinvestment Plan (“DRP”) approved by the shareholders at the Annual General Meeting held on 13 February 2018 and subject to the approval of the relevant authorities (if any), approval be and is hereby given to the Company to allot and issue such number of BKB Shares pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said BKB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (“VWAMP”) of BKB shares immediately prior to the price-fixing date, which VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.”

On the proposal of Mr. Ng Weng Choong, the following resolution was put to a vote:

“THAT Ordinary Resolution 10 on the Proposed Renewal of Authority for Directors to Allot and Issue New BKB Shares in relation to the Dividend Reinvestment Plan be passed.”

12. ANY OTHER BUSINESS

In reply to the Chairman, the Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

13. QUESTIONS AND ANSWERS SESSION

The Chairman informed that the Company had responded to questions raised by the Minority Shareholders Watch Group (“MSWG”) in their letter dated 15 February 2023 for the AGM. The questions and replies thereto (a copy of the MSWG’s letter together with the Company’s reply dated 20 February 2023 are attached as **Appendix 1**) has been distributed to all members attending the Meeting.

Thereafter, the floor was opened to further questions.

Mr. Ng Weng Choong enquired about why the Company chose to cancel its treasury shares under share buybacks in 2020 rather than distributing them to the shareholders. The Chairman explained the cancelling of treasury shares has benefitted the Company particularly in terms of improving financial ratios, boosting investor confidence, and potentially increasing earnings per share. When the Company canceled its treasury shares, the number of outstanding shares has decreased, which led to an increase in its earnings per share.

As requested by Mr. Ng, the Chairman proceeded with an overview of the Company’s history.

Ms. Tan Lee Siam posted the following questions regarding the landbank in Liberia:

- (a) What was the rationale for the acquisition of the land and its intended purpose; and
- (b) What is the current status and the future plans for the land.

The Chairman replied that the land in Liberia is owned by Kuala Lumpur Kepong Berhad (“KLK”) (a BKB subsidiary for accounting purposes). The acquisition was in line with KLK’s strategy to expand its plantation landbank outside Malaysia and Indonesia, providing a geographical diversification into the West African region where there is a net deficit of edible oils. At present, the plantation spans approximately 6,000 hectares and has achieved profit of around USD 13 million last year. KLK is not considering any expansion plans for this area until it has recovered its initial investments.

In reply to Mr. Teaw Hung Meng who asked about the Group’s glove plant in Ipoh, the Chairman briefed that the investment into nitrile disposable examination gloves was a decision driven by forecast that the global examination gloves market would continue to grow, even after the unprecedented demand spike from the Covid-19 worldwide pandemic has subsided. The entry into manufacturing disposable nitrile examination gloves is an extension from KLK’s glove manufacturing know-how manufacturing household gloves for many years. KLK Management has also leveraged on nitrile supply from Synthomer plc (a KLK associate).

The glove industry has become challenging given the overcapacity and current weak demand due to over-stocking, with pressure on average selling prices. The Group will continue to build up its marketing efforts and expects to recover current losses when the glove industry normalises.

There being no further questions, the Chairman proceeded with the Meeting.

14. POLLING PROCESS

The Chairman informed that he has been appointed as proxy for several members and that he would vote in accordance with their instructions given.

Thereafter, the members proceeded to vote electronically on the various resolutions using the electronic voting devices provided by the Poll Administrator. The members were requested to return to their seats after casting their votes.

15. DECLARATION OF RESULTS

After the Scrutineers had certified the poll results and submitted the results to the Board, the Chairman called the Meeting to order for the declaration of the poll voting results.

The Chairman declared all the resolutions tabled at the Meeting were **CARRIED**, based on the poll results as verified and validated by the Scrutineers and projected on the screen, as follows:

Resolution	Vote in Favour			Vote Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Business						
Resolution 1 Re-election of Tan Sri Dato' Seri Lee Oi Hian who retires by rotation in accordance with the Company's Constitution, as a Director of the Company	100	288,713,452	99.9814	7	53,765	0.0186
Resolution 2 Re-election of Dato' Lee Hau Hian who retires by rotation in accordance with the Company's Constitution, as a Director of the Company	102	288,714,952	99.9819	5	52,265	0.0181
Resolution 3 Re-election of Dato' Yeoh Eng Khoon who retires by rotation in accordance with the Company's Constitution, as a Director of the Company	100	288,713,452	99.9814	7	53,765	0.0186
Resolution 4 Re-election of Ms. Susan Yuen Su Min who was appointed during the year and retires in accordance with the Company's Constitution, as a Director of the Company	103	288,720,752	99.9839	4	46,465	0.0161

Resolution	Vote in Favour			Vote Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resolution 5 Approval of payment of Directors' fees for the year ended 30 September 2022 amounting to RM1,392,514 (2021: RM1,187,528)	104	288,766,702	99.9998	3	515	0.0002
Resolution 6 Approval of payment of Directors' benefits (other than Directors' fees) to Directors for the period from the Fifty-Eighth AGM to Fifty-Ninth AGM of the Company to be held in 2024	104	288,766,702	99.9998	3	515	0.0002
Resolution 7 Re-appointment of Messrs. BDO PLT as Auditors of the Company for the financial year ending 30 September 2023 and authority to the Directors to fix their remuneration	104	288,766,702	99.9998	3	515	0.0002
Special Business						
Resolution 8 Proposed Renewal of Authority to Buy Back its Own Shares by the Company	105	288,767,215	100.0000	2	2	0.0000
Resolution 9 Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature	87	53,051,530	99.9990	3	515	0.0010
Resolution 10 Proposed Renewal of Authority for Directors to Allot and Issue new BKB Shares in relation to Dividend Reinvestment Plan	105	288,767,215	100.0000	2	2	0.0000

16. TERMINATION

There being no other business, the Meeting ended at 3.10 p.m. with a vote of thanks to the Chair.

CONFIRMED

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[CHAIRMAN]

Wisma Taiko, 30000 Ipoh
Perak Darul Ridzuan



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

15 February 2023

BY EMAIL/FAX/HAND

The Board of Directors
BATU KAWAN BERHAD
Wisma Taiko
No. 1, Jalan S.P. Seenivasagam
30000 Ipoh
Perak, Malaysia

**Attention: Ms. Yap Miow Kien
Mr Goh Swee Eng
Ms Chiew Cindy
Company Secretaries**

Dear Directors,

Re: 58th Annual General Meeting (“AGM”) of Batu Kawan Berhad (“BKB” or the “Company”) to be held on Thursday, 23 February 2023

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational & Financial Matters

1. The Group expects the Industrial Chemical division to face some headwinds in FY2023 coming from raw material prices hikes and high energy cost. (page 41 of AR2022)

To what extent is the Group able to pass the increase in raw material prices and high energy cost to its customers?

2. Property markets in Melbourne are easing alongside that of Sydney due to rising inflation, raised interest rates and tightening lending conditions. Victoria and New South Wales continue to feel the pandemic-fueled impact losing thousands of residents in the first six months of 2022 as they moved to other parts of Australia, with Queensland and Western Australia emerging as the preferred destinations. (page 43 of AR2022).

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Incorporated in Malaysia Registration No: 200001022382 (524989-M)

LEVEL 23, UNIT 23-2, MENARA AIA SENTRAL

No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: mswatch@mswg.org.my Website: www.mswg.org.my

- (a) To what extent has the rising inflation, rising interest rates and tightening of lending conditions impacted the Group's Australian property investments?
- (b) With residents' movement to other parts of Australia via internal migration, what are the Group's plans to tap on opportunities arising from such migration? Are there plans to expand its Australian property investments to these other parts of Australia?

Corporate Governance Matters

- 3. BKB has departed from applying Practice 5.9 of the Malaysia Code on Corporate Governance ("MCCG"), which encourages a board to comprise at least 30% women directors. As at 30 September 2022 the Board has seven male and two female directors, representing 22.22% female representation at the Board level.

On page 36 of the Corporate Governance Report 2022, the Company states that it will continue to search for suitable qualified lady candidates as and when there is Board vacant position.

When does the Company target to achieve at least 30% female representation on the Board?

Please present the questions raised herein, and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



Devanesan Evanson

Chief Executive Officer

DE/RF/ECYL/BKB/AGM 2023

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Incorporated in Malaysia Registration No: 200001022382 (524989-M)

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20 February 2023

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

Attn: Mr Devanesan Evanson
Chief Executive Officer

Dear Sirs,

**BATU KAWAN BERHAD (“BKB”)
FIFTY-EIGHTH (58TH) ANNUAL GENERAL MEETING
ON 23 FEBRUARY 2023**

We refer to your letter dated 15 February 2023 in relation to our 58th Annual General Meeting, raising several questions that may be in the interests of minority shareholders and other stakeholders of the Group and the Company.

Following are our replies to your questions raised:

Strategic & Financial Matters

1. **Q: “The Group expects the Industrial Chemical division to face some headwinds in FY2023 coming from raw material prices hikes and high energy cost. (page 41 of AR2022)”**

“To what extent is the Group able to pass the increase in raw material prices and high energy cost to its customers?”

The Group has the ability to pass on some of the increased raw material prices and higher energy costs to many of its customers, through contract terms or on a lagged basis. For other customers, that will depend on the actual prevailing situation but historically the Group has been able to pass on increased costs to customers on a lagged basis.

The Group has also taken steps to upgrade its older electrolyzers into more energy efficient ones and have commissioned two co-generation electricity plants in order to reduce its production costs, which helps to reduce the amount of increased costs from higher energy costs to customers.

2. **Q: “Property markets in Melbourne are easing alongside that of Sydney due to rising inflation, raised interest rates and tightening lending conditions. Victoria and New South Wales continue to feel the pandemic-fueled impact losing thousands of residents in the first six months of 2022 as they moved to other parts of Australia, with Queensland and Western Australia emerging as the preferred destinations. (page 43 of AR2022).”**

- (a) **“To what extent has the rising inflation, rising interest rates and tightening of lending conditions impacted the Group’s Australian property investments?”**

The rise in inflation and interest rates, and the tightening of credit conditions in Australia should impact the Australian property market in general. However, to-date, the Group’s Australian property investments have not encountered any major adverse impact as its projects (like Heartford and Maple Grove) which are actively selling developed land lots have still enjoyed a good response.

The Group’s property investments have varying stages of development and some will not be ready for active sales in the immediate years. Most of the property investments involve acquiring land, putting in the basic infrastructure (water, electric cabling, internal roads) and then selling the subdivided land lots to end buyers, and thus have lower developmental cost risks as compared with other types of property investments.

- (b) **“With residents’ movement to other parts of Australia via internal migration, what are the Group’s plans to tap on opportunities arising from such migration? Are there plans to expand its Australian property investments to these other parts of Australia?”**

The Group already has two development projects in Perth, namely The Hales (Forrestfield, Perth) and Brookside (Upper Swan, Perth), which will benefit from any increased migration to Western Australia.

The Group has no current plans to expand its Australian property investments to other parts of Australia but will remain open to any opportunities that meets the Group’s investment criteria.

Corporate Governance Matters

1. **Q: “BKB has departed from applying Practice 5.9 of the Malaysia Code on Corporate Governance (“MCCG”), which encourages a board to comprise at least 30% women directors. As at 30 September 2022 the Board has seven male and two female directors, representing 22.22% female representation at the Board level.”**

On page 36 of the Corporate Governance Report 2022, the Company states that it will continue to search for suitable qualified lady candidates as and when there is Board vacant position.

When does the Company target to achieve at least 30% female representation on the Board?"

We acknowledge the importance of female board representation but recognise also that gender is one of several factors taken into account when sourcing for suitable Directors.

The Company currently has two female Directors which exceeds the Bursa Malaysia Listing Requirements to have at least one female Director on its board.

The Company does not have any fixed timeline to specifically increase its female representation on the board, but will continue to source for suitably qualified directors, female or otherwise, based on the candidate's suitability and the interest of the Company.

The above replies will be presented to all the shareholders present at our upcoming 58th AGM to be held on 23 February 2023. We look forward to MSWG's attendance on that day.

Thank you.

Yours faithfully
BATU KAWAN BERHAD



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(Goh Swee Eng)
Chief Financial Officer/
Company Secretary