

**FAVELLE FAVCO BERHAD**  
Registration No.: 199201017739 (249243-W)  
(Incorporated in Malaysia)

**MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING (“31ST AGM”) OF  
FAVELLE FAVCO BERHAD (“FFB” OR “THE COMPANY”) HELD FULLY VIRTUAL  
VIA REMOTE PARTICIPATION AND VOTING AT THE ONLINE MEETING  
PLATFORM OF TIIH ONLINE ON MONDAY, 26 JUNE 2023 AT 11.00 A.M.**

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**PRESENT** : As per the Attendance List

**AGM31/1 PRELIMINARY**

Dato’ Sri Khazali Bin Haji Ahmad (“**Dato’ Sri Khazali**” or “**the Chairman**”), the Chairman of the Board of Directors (“**the Board**”) took the chair and welcomed everyone to the Meeting. The Chairman then introduced the Board members to everyone and informed that the External Auditors, Company Secretaries and Scrutineers were also in the Meeting.

The Chairman highlighted that the virtual Annual General Meeting (“**AGM**”) held through the online platform was in accordance with Section 327 of the Companies Act 2016 (“**CA 2016**”) and the Company’s Constitution.

The Chairman requested the shareholders to raise questions that are kept strictly to the agenda as specified in the notice of the meeting, and that recording of any form on today’s Meeting was prohibited.

**AGM31/2 QUORUM**

The requisite quorum being present pursuant to Article 63 of the Company's Constitution, the Chairman declared the Meeting duly convened at 11.00 a.m.

**AGM31/3 SUMMARY OF PROXY RECEIVED**

Based on the Poll Administrator Report, the shareholders of 164,529,897 shares have lodged their proxies within the stipulated time and the holders of 24,774,139 shares have appointed the Chairman of the Meeting to be their proxy.

**AGM31/4 NOTICE OF MEETING**

The Notice of Meeting having been circulated to shareholders and published in “The Star” newspaper on 27 April 2023 was taken as read. Only members whose names appeared in the Record of Depositors on 16 June 2023 were eligible to attend the Meeting.

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Minutes of the Thirty-First Annual General Meeting held on 26 June 2023 [Cont'd]

**AGM31/5 POLLING AND VOTING PROCEDURES**

The Meeting noted that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the Meeting would be conducted by poll.

The Chairman informed that the Company has appointed Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) to conduct the poll voting electronically and Cooper Professional Scrutineers Sdn Bhd as Scrutineers to verify the poll results. The poll on the resolutions would be taken at the end of the Meeting.

Tricor proceeded to provide a video briefing on the voting procedures to the shareholders..

The Meeting noted that the voting session was currently available until the closure of the voting session. The results of the poll voting and declaration of resolutions would be reflected on the screen after the Scrutineers have verified the poll results upon the closure of the voting session.

The Meeting noted that there were questions submitted to the Company prior to the Meeting. The shareholders and proxies are welcomed to raise any questions in real time by transmitting question via the Query Box function. The Board would endeavour to respond to all questions submitted during question & answer (“**Q&A**”) session after the conclusion of agenda of the Meeting.

**AGM31/6 MINORITY SHAREHOLDERS WATCH GROUP Q&A**

It was noted that the Company had received questions from the Minority Shareholders Watch Group (“**MSWG**”) before the AGM. Mr. Mac Chung Hui (“**Mr. Mac CH**”) presented to the shareholders the questions raised by MSWG via its letter dated 19 June 2023 along with the Company’s replies. A copy of the presentation is set out in “Annexure A” of this minutes.

**ORDINARY BUSINESS**

**AGM31/7 AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS**

The Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon, were tabled for discussion.

The Chairman informed the shareholders that the Audited Financial Statements for the financial year ended 31 December 2022 were intended for discussion only as the provision of the Section 340(1) of the CA 2016 requires the accounts and reports by the Directors be laid before the members at the AGM. There is no requirement for formal approval of the shareholders and hence, it would not put for voting.

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Minutes of the Thirty-First Annual General Meeting held on 26 June 2023 [Cont'd]

The Chairman declared the Audited Financial Statements have been duly received and adopted by the shareholders.

**AGM31/8      ORDINARY RESOLUTION 1  
FINAL TAX EXEMPT DIVIDEND**

The Chairman proceeded to the second item of the Agenda which was to approve a final tax exempt dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022.

The Chairman put the motion to vote by poll later.

**AGM31/9      ORDINARY RESOLUTIONS 2 AND 3  
RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT  
TO ARTICLE 85 OF THE COMPANY'S CONSTITUTION**

As Dato' Sri Khazali was one (1) of the Directors seeking for re-election, the chairmanship was then handed to Encik Anuar Bin Abd Rahman ("Encik Anuar"), the Independent Non-Executive Director of the Company to chair this segment of the Meeting.

Encik Anuar informed the Meeting that Ordinary Resolutions no. 2 and 3 were on the re-election of the following Directors who retire by rotation pursuant to Article 85 of the Company's Constitution, and that the retiring Directors have offered themselves for re-election:-

**Ordinary Resolution 2 - Re-election of Dato' Sri Khazali Bin Haji Ahmad**

**Ordinary Resolution 3 - Re-election of Mr. Mac Chung Hui**

Encik Anuar put each of the abovementioned motion to vote by poll later.

**AGM31/10     ORDINARY RESOLUTION 4  
RE-ELECTION OF ENCIK ANUAR BIN ABD RAHMAN WHO RETIRES  
PURSUANT TO ARTICLE 91 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the Meeting that Ordinary Resolution no. 4 was on the re-election of Encik Anuar who retires pursuant to Article 91 of the Company's Constitution, and that the retiring Director has offered himself for re-election.

The Chairman put the motion to vote by poll later.

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**AGM31/11 ORDINARY RESOLUTION 5  
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES AND  
BENEFITS PAYABLE UP TO RM1,000,000.00 FROM 27 JUNE 2023 UNTIL  
THE NEXT AGM OF THE COMPANY**

The Chairman proceeded to the next item on the Agenda, which was to approve the payment of directors' fees and benefits payable of RM1,000,000.00 from 27 June 2023 until the next AGM of the Company.

The Chairman put the motion to vote by poll later.

**AGM31/12 ORDINARY RESOLUTION 6  
RE-APPOINTMENT OF AUDITORS**

The Chairman informed the Meeting that next item on the Agenda was to approve the re-appointment of the retiring Auditors, Messrs Crowe Malaysia PLT which had indicated their willingness to continue in office as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The Chairman put the motion to vote by poll later.

**SPECIAL BUSINESS**

**AGM31/13 ORDINARY RESOLUTION 7  
RETENTION OF INDEPENDENT DIRECTOR**

The Chairman proceeded to the first agenda item under special business which was to seek shareholders' approval on the retention of Encik Sobri Bin Abu ("Encik Sobri") as Independent Director of the Company, who has served for a cumulative term of more than nine (9) years.

The Chairman informed the Meeting that the Nominating Committee and the Board have assessed Encik Sobri as having met the guidelines on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman put the motion to vote by poll later.

**AGM31/14 ORDINARY RESOLUTION 8  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO  
PURCHASE ITS OWN SHARES**

The Chairman proceeded to the next item under special business which was to seek shareholders' approval on the Proposed Renewal of Authority for the Company to purchase its own ordinary shares of up to 10% of the total number of issued share capital of the Company, as detailed in the Statement to Shareholders dated 27 April 2023.

The Chairman put the motion to vote by poll later.

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**AGM31/15 ORDINARY RESOLUTION 9  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE  
AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE  
OR TRADING NATURE**

The Chairman proceeded to the last item under special business which was to seek shareholders' approval on the proposed renewal of the existing shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature, as detailed in the Statement to Shareholders dated 27 April 2023.

The Chairman put the motion to vote by poll later.

After concluding all items of the Agenda, the Chairman proceeded to the Q&A session and invited Mr. Mac CH to answer the questions posted by the shareholders.

**AGM31/16 QUESTION AND ANSWER SESSION**

In response to several questions raised by the shareholders, Mr. Mac CH replied that:-

**PRE-MEETING QUESTIONS AND ANSWERS**

A1: **Question:** Physical Annual General Meeting

**Answer:** In considering the health and safety aspect, the Board has decided to conduct this Meeting virtually, similar to last year.

A2: **Question:** Gifts

**Answer:** It is consistent with the cost cutting and streamlining mission of the Group, the Group does not provide e-vouchers/ Touch 'n Go ("TnG") e-wallet reload for the AGM.

A3: **Question:** We know that increasing the frequency of dividend payout will increase the cost of distributing the dividend. However, in the past years FPI stock price has been very volatile. In order to ensure minor shareholders always have an exit chance at relatively fair price, will the company increase the frequency of dividend payout by at least twice a year?

**Answer:** FFB noticed there was an error in the counter name quoted at stock market which should be FAVCO, not FPI. For the frequency of dividend payout, FFB will strive to declare dividend once a year to shareholders.

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Minutes of the Thirty-First Annual General Meeting held on 26 June 2023 [Cont'd]

A4: **Question:** The share price has dropped to very low levels in the past two (2) days as compared to FPI's Earning Per Share and Net Tangible Asset. Will FPI consider to buy back the shares more aggressively to consolidate existing shareholdings as this is a good chance to enhance shareholders' value especially when it is hard to find other good opportunities to invest the extra capital.

**Answer:** FFB would take into consideration of many factors in buying back its own shares. Besides the price and other better investment opportunity, the Management would also maintain some free float in the market as share buyback would reduce the number of shares to the public investors.

**LIVE QUESTIONS AND ANSWERS**

A5: **Question:** What is the strategy in the next six (6) to twelve (12) months?

**Answer:** For the strategy in next six (6) to twelve (12) months, FFB will expand its business to new countries, create more models of cranes, enter into new segment and find new acquisition or investment opportunities to drive the Company's growth.

A6: **Question:** E-door gift? Business outlook for next six (6) months?

**Answer:** Consistent with the cost cutting and streamlining mission of the Group, the Company does not provide e-door gift for the AGM. Business outlook for next six (6) months, FFB will expand its business to new countries, create more new cranes, enter into new segment and finding new acquisition or investment opportunities to drive the Company's growth.

A7: **Question:** How much does the Company spend on this virtual AGM? Would the Board kindly give e-wallet as a token of appreciation for attending today's RPV? I would like to request a printed hard copy of the Company's Annual Report ("AR").

**Answer:** FFB spent below RM20,000 for this virtual AGM. In consistent with the cost cutting efforts and streamlining mission of the Group, the Company does not provide e-wallet for the AGM. For the request on the printed hard copy of the Company's Annual Report, the Company will courier the Annual Report to the said shareholder.

A8: **Question:** Labour issues?

**Answer:** FFB is seeing increased salaries and wages of the labour. In order to mitigate the labour issues, FFB have been trying to find efficiencies and to not increase human cost.

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A9: **Question:** Will 2023 be better than 2022 or be worse because of new challenges?

**Answer:** In 2022 and before, FFB has been focusing on surviving due to COVID pandemic and Ukraine War. However, in 2023, FFB will get back into normal business environment and change the survival mode back to expansion mood.

A10: **Question:** Provision for foreseeable losses increased by more than 100% to RM7.563 million in financial year ended 31 December 2022 (“FY2022”) (Note 26 – Page 105 of Annual Report), what are the items provided for under this provision? Why are the reason(s) for the substantial increase in amount provided in FY2022? Please confirm that this is only a provision and no impact to cashflow of the Group.

**Answer:** The provision comprises of various contracts with a larger proportion from a Middle East Project. Whilst FFB is discussing on the final handover, for prudence, FFB has made a provision in FY2022 and there is no impact on the cashflow of the Group.

A11: **Question:** Associate companies reported losses of RM5.098 million in FY2022 (Note 8 – Page 88 of Annual Report), which are the three (3) associate companies that reported losses in FY2022? Based on the operating results up to 31 May 2023, will these associate companies be able to report a profit for financial year ending 31 December 2023?

**Answer:** The loss among associate companies was mainly contributed by Favco Heavy Industry (Changshu) Co., Ltd (“FHI”). By 31 May 2023, FFB does not expect this to be turnaround. FFB has not invested in FHI for approximately seven (7) years. However, FFB will continue reviewing the operations of FHI. Although FHI is making losses, the cash flow was relatively neutral.

A12: **Question:** How much savings? The difference in holding this AGM virtually; the saved cost for not providing door gifts/ e-vouchers/ e-wallets and the manner of utilisations for all those amounts saved?

**Answer:** FFB spent below RM20,000 for this virtual AGM.

A13: **Question:** Trade Receivables and contract assets which are past due more than 180 days remained high at RM46.678 million of which an amount or RM38.350 are classified as “Lifetime Loss Allowance” (Note 33.3 (a) – Page 117 of Annual Report). Are the amount under “Lifetime Loss Allowance” recoverable? Is the amount under Credit Impaired of RM42.698 million considered written off or still recoverable?

**Answer:** The higher trade receivables was due to the delayed in receiving the payment. However, FFB is optimistic that most of the trade receivables are recoverable.

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- A14: **Question:** The Company reported much higher Profit After Tax for First Quarter of FYE2023 compared to previous year. What are the factors much improved the performance in First Quarter of FYE2023? Will the Company be able to sustain and report similar results for the rest of FY2023 based on current order books?

**Answer:** It is recommended to review the Company's yearly results to get a better view on the Company's performance. FFB have some lack from last year Ukraine war which will affect some delivery this year but it is possible to have a balance of slightly positive in term of revenue for FY2023 due to higher order book in first half of the year.

- A15: **Question:** FFB's share is highly controlled by top 30 shareholders causing thin trading volume of FFB, will the Board consider to increase the liquidity of FFB?

**Answer:** FFB does not have any plan to increase the share floating or issue new shares. However, FFB did issued Employees' Share Option Scheme every five (5) years for the employees of the Group.

- A16: **Question:** A brief presentation of the year's performance and the outlook will add value to the meeting. Please consider it for future AGMs.

**Answer:** Thank you for the feedback. FFB will consider this for future AGMs.

- A17: **Question:** The Company has in 2021 mentioned about acquisition as it seeks to growth its business. Could you please update on this? Any talks now? Can we expect any deals this year?

**Answer:** FFB is consistently looking at the acquisition. In the year 2022, FFB had acquired Strata Niaga Group which is profitable for the Company. FFB will continue to look for potential investment opportunities.

- A18: **Question:** The Company mentioned it is anticipating to start winning contract for tower crane climber. Do you mind to shed more lights on this? How much in total value of these prospective contracts? Will the profit margin be higher as compared to existing products given it is first in the world?

**Answer:** The tower crane climber is an unique climber which is custom made for the high rise building in New York. The total value of those prospective contracts will be RM50 million to RM100 million over a year. The profit margin is expected to be relatively neutral as compared to the American margin.

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A19: **Question:** As to the increase in borrowings due to huge FY22 dividend paid out, what is the rational for it?

**Answer:** FFB was sitting on net cash amount of RM200 million to RM250 million. In 2022, this was paid out as a dividend to reward the shareholders. After the dividend payment, FFB now uses financing facilities to run the business. FFB currently has a healthy balance sheet and its liquidity remains healthy based on the financial position for the First Quarter of FYE 2023.

A20: **Question:** Favelle Favco posted an encouraging 1Q. Will the trend continue into coming quarters? Yes and no why? With current orderbook of nearly MYR700 million, how much of the orders will be recognized this year and what is your orderbook replenishment target for the year? YTD, Favco has won MYR225.4 million contracts. Is the Company facing margin squeeze? If yes, how much? If no, why?

**Answer:** FFB expects to be profitable for the coming quarters due to increase in FFB's order books. There will be approximately 50% of the order book to be recognised this year and the remaining will be recognised next year. The Company targeted to receive orders for approximately RM300 million this year. FFB experienced margin squeeze last year due to Ukraine war. In 2023, the Company is facing different types of cost increase such as increase in electricity bills, salaries and wages.

A21: **Question:** Which country outside Malaysia is going to have highest growth in crane sales of Favco?

**Answer:** Countries outside Malaysia are going to have highest growth in crane sales of FFB are Korea, Qatar and Australia.

A22: **Question:** How many shareholders attending today? Can we have hybrid meeting next year?

**Answer:** There were 325 shareholders attended this AGM as at 11:13 a.m. FFB will consider the situation in determining the mode of AGM to be held next year.

There being no further question, the Chairman proceeded to the polling of the 31st AGM of the Company.

**AGM31/17 POLLING PROCESS**

For the polling process, the Chairman declared the closure of the registration for attendance at the 31st AGM.

The Chairman adjourned the 31st AGM for approximately 10 minutes for the polling process.

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Minutes of the Thirty-First Annual General Meeting held on 26 June 2023 [Cont'd]

**AGM31/18 ANNOUNCEMENT OF POLL RESULTS**

The 31st AGM was re-convened and the Chairman called the meeting to order for the declaration of the results. The Chairman informed the shareholders that Coopers Professional Scrutineers Sdn Bhd had verified the poll voting results and that the poll voting results have been tabulated and as projected on the screen in the meeting room. The poll voting results is attached herewith as "Annexure B".

Based on the poll results verified by the Scrutineers, the Chairman announced that all the resolutions tabled at 31st AGM of the Company had been duly carried.

**AGM31/19 CONCLUSION**

There being no further business, the Chairman declared the Meeting closed at 12.36 p.m. and thanked all present at the Meeting.

**SIGNED AS A CORRECT RECORD  
OF THE PROCEEDING THEREAT**

**CHAIRMAN**

**ANNEXURE A**

**MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

**Q&A**

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## Operational & Financial Matters: Question 1

The main challenge of the year for the cranes division would have been the sudden increase in costs of the components and shipping of the cranes due to the Russia-Ukraine war (page 5 of Annual Report (AR) 2022).

- a) Has this issue been resolved? Will the cranes division experience improvement this year?
- b) If not, what strategic steps is the Group taking to address the rising costs of crane components and shipping?

### **FFB's response:**

The sudden cost increases in 2022 due to the Ukraine war has mostly been abated. There was a combination of initiatives to mitigate the effects. These mainly being price increases, component substitution and redesign of our cranes to use less steel.

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## Operational & Financial Matters: Question 2

Cranes division has completed an innovative tower crane climber which will be the first in the world to have articulated legs which can climb off building columns. This will be well accepted in various key markets (page 5 of AR 2022).

Are there any existing contracts or pre-orders for the tower crane climber? What is the expected timeline for fulfilling these orders and generating revenue from them?

### FFB's response:

We are currently anticipating an order soon for this climber. Order flow has been slightly delayed as construction jobs in USA slowdown due to the economic slowdown. We hope to generate revenue within the next one to two years.

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## Operational & Financial Matters: Question 3

The Exact Automation Group saw an increase in revenue as the maintenance activity in the oil and gas industry recovered in line with oil prices (page 6 of AR 2022).

- a) What measures has the Group taken to capitalize on the increased revenue opportunities in the maintenance segment of the oil and gas industry?
- b) How does the Group envision the prospects for this business segment? Is the sales and profitability of this segment expected to remain sustainable in the long term?

### FFB's response:

- a) We continue to increase our product offerings and increase hiring in line with anticipated work in the maintenance segment.
- b) We envision that the sales and profitability of this segment to be sustainable in the long term.

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## Operational & Financial Matters: Question 4

In search of new businesses, Exact Automation has started offering Fuel Cells whereby the only by-product is water, heat and very small traces of carbon dioxide which is significantly lower than conventional generators. These offerings complement our solar wind turbine systems in a push towards increasing our expertise in ESG related systems (page 6 of AR 2022).

- a) What has been the market response to the Group's offering of Fuel Cells? Have there been any significant orders or interest from customers for these products?
- b) How does the profit margin of the Fuel Cells products compare to that of conventional generators?

### FFB's response:

- a) The market response has been good as it aligns with the zero carbon emissions target of companies nowadays. We have already secured 2 contracts for these fuel cells and will be targeting more in the future.
- b) Whilst we do not disclose our profit margins on individual products, the pricing of the Fuel cells are expected to be higher than a conventional generator.

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## Operational & Financial Matters: Question 5

One of the key highlights is the acquisition of Strata Niaga Sdn Bhd. This acquisition positions the Group to diversify into the electrical power sector besides the oil and gas sector (page 6 of AR 2022).

- a) How does the Group plan to differentiate itself from the existing competitors in the electrical power sector and capture market share?
- b) Are there any plans to gradually phase out or reduce the Group’s involvement in the existing energy sector and transit towards the power sector?

### FFB’s response:

Strata Niaga is currently one of the leading suppliers for Test Meter Equipment in TNB. Favco’s journey into the power sector via Strata Niaga is still very early. We are currently exploring ideas with some of our principals on new additional products and services to provide to the sector.

There are no plans to reduce our involvement in our current energy sector and transition to the power sector. The idea with the power sector is to broaden and complement whatever we are currently offering to diversify the industries on which we rely upon.

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## Operational & Financial Matters: Question 6

The Group is seeing further impacts from the increase in minimum wage and electricity rates going up and foresee other cost increases coming to Malaysia (page 7 of AR 2022).

What is the breakdown or proportion of staff costs and electricity rates within the administration expenses? How does the Group plan to alleviate the impact of increased minimum wages and electricity rates? Are there any plans to review and adjust pricing strategies to accommodate the higher administration expenses without compromising competitiveness?

### **FFB's response:**

We expect that staff and wage cost will increase approximately 10% from 2021 levels and electricity bills will go up approximately 20%. It's not really practical to talk about these increases in relation to the administrative expenses because these costs are flowing through the entire Malaysian economy and resulting in country wide inflation. For example, we also get cost increases from suppliers as a results of these minimum wage and electricity rate hikes. As such, it's not purely about our internal costs alone.

The current strategy has been to try and reduce non-human costs, find more efficiency and to increase our prices over time.

# Minority Shareholders Watch Group (“MSWG”) Q&A



## Operational & Financial Matters: Question 7

Loans and borrowing in current liabilities increased significantly from RM37.05 million in FY2021 to RM105.4 million in FY2022 (page 98 of AR 2022).

	Group	
	2022 RM'000	2021 RM'000
<b>Non-current</b>		
<b>Secured</b>		
Term loan	9,609	14,165
	9,609	14,165
<b>Current</b>		
<b>Secured</b>		
Bank overdraft	22,717	8,895
Term loan	14,621	7,144
<b>Unsecured</b>		
Insurance premium finance	3,384	2,987
Bills payable	45,211	13,860
Revolving credits	19,500	-
Term loan	-	4,164
	105,433	37,050
<b>Non-current and current</b>	115,042	51,215

Please provide insights into the specific reasons behind the significant increases in bank overdraft, term loan, bills payable and revolving credits?

# Minority Shareholders Watch Group (“MSWG”) Q&A



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## Operational & Financial Matters: Question 7 (continued)

### FFB's response:

There was substantial cash dividend rewards to shareholders during mid Year 2022. Subsequently, the business operational requirements is financed by various financing facilities.

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## Operational & Financial Matters: Question 8

The amount of provision of foreseeable losses increased from RM1.4 million in FY2021 to RM7.56 million in FY2022 (page 57 of AR 2022).

- a) Which contracts were affected and what were the main reasons for the substantial provision of foreseeable losses in FY2022?
- b) What is the likelihood of further provision or reversal in FY2023?

### **FFB's response:**

- a) These provisions comprise of various contracts with a larger proportion coming from a Middle East project. Whilst we are discussing the final handover, for prudence, we have made a provision in 2022.
- b) Nevertheless, we expect a high chance of a reversal moving forward.

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## Corporate Governance Matters: Question 1

The composition of women directors on the Board falls short, with only one (1) female Director, representing 14.3% of the total. This figure is below the best practice recommended in Practice 5.9 of the Malaysian Code of Corporate Governance, which advocates for a minimum representation of 30% women directors.

Is there any progress in identifying suitable women candidates as new director of the Company?  
How many candidates were interviewed and shortlisted?

### FFB's response:

The Board recognises the benefits of diversity in gender and hence gender is always an important consideration in appointment of Directors.

Nevertheless, the Board is of the view that selection of candidates shall not be limited simply to gender only. Gender is now highly considered amongst a variety of criteria including perspective differences, merit and contribution that the selected candidates will bring to the Board. It is this total criteria that should be prioritised in deciding appointment to the Board.

# **ANNEXURE B**

**31<sup>st</sup> AGM**

**Poll Results**

**FAVELLE FAVCO BERHAD**  
(249243-W)

**Thirty-First Annual General Meeting**

TIH Online website at <https://tih.online>

as provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia

On 26-June-2023 at 11:00AM

**Result On Voting By Poll**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	169,470,950	99.9887	19,125	0.0113	169,490,075	100.0000
Ordinary Resolution 2	169,339,793	99.9140	145,682	0.0860	169,485,475	100.0000
Ordinary Resolution 3	165,624,767	99.9859	23,308	0.0141	165,648,075	100.0000
Ordinary Resolution 4	169,446,143	99.9786	36,332	0.0214	169,482,475	100.0000
Ordinary Resolution 5	149,113,700	99.8805	178,362	0.1195	149,292,062	100.0000
Ordinary Resolution 6	169,459,149	99.9845	26,323	0.0155	169,485,472	100.0000
Ordinary Resolution 8	169,458,730	99.9815	31,343	0.0185	169,490,073	100.0000
Ordinary Resolution 9	11,178,082	99.6715	36,837	0.3285	11,214,919	100.0000



**FAVELLE FAVCO BERHAD**  
(249243-W)

**Thirty-First Annual General Meeting**

TIIFH Online website at <https://tiifh.online>

as provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia

On 26-June-2023 at 11:00AM

**Result On Voting By Poll - Two Tier**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
<b><u>Tier 1 - Large Holders</u></b>						
Ordinary Resolution 7	139,265,343	100.0000	0	0.0000	139,265,343	100.0000
<b><u>Tier 2 - Other Holders</u></b>						
Ordinary Resolution 7	29,905,699	98.9693	311,433	1.0307	30,217,132	100.0000

