Appendix A
(which forms part of the Minutes of 9th Annual General Meeting)

SUMMARY OF KEY MATTERS DISCUSSED DURING THE 9TH ANNUAL GENERAL MEETING ("9TH AGM") HELD VIA PHYSICAL MODE AT HOP SING II, PONDEROSA GOLF & COUNTRY CLUB, NO. 3, JALAN PONDEROSA 1, TAMAN PONDEROSA, 81100 JOHOR BAHRU, JOHOR ON FRIDAY, THE 26TH DAY OF JULY, 2024 AT 9.00 A.M.

The following pre-AGM questions were raised Mr Chan Fung Han, a shareholder of Cabnet Holdings Berhad ("Cabnet" or "the Company") for 9th AGM.

Q1. Cabnet's order book on hand stands at approximately RM106 million as at FYE2024 and there is an award of RM46 million received in June 2024. With the current order book of RM152 million to be completed within 1 to 3 years, is it indicating the Cabnet's revenue will likely to decrease in FY2025 and fall short of the performance recorded in FY2024?

A1. Cabnet is continuously sourcing and actively increasing its order book with contracts which meets with the Group's strategies and criteria. Apart from the contract that has been announced which is a material contract requiring disclosure in accordance with the ACE Market Listing Requirements, our Group has also secured other contracts which individually does not require disclosure but has a combined value of approximately RM20 million.

Our Group's total contracts secured since the start of FYE2025 up to date is RM66million and the Group is actively competing in the market. Our Group is encouraged by the on-going developments in the Southern and Northern regions of West Malaysia and are confident that there will be an increase in investments and opportunities in this market which will require our Group's services.

Q2. The Board has not recommended the payment of any dividend for FYE2024 although Cabnet recorded high revenue and good profit in FY2024. As such, when could the shareholders expect the next dividend declaration by the Board?

A2. Our Group has adopted a dividend policy which is available at the Group's website at https://www.cabnet.asia/corporate-governance .

The dividend policy aspires to recommend and distribute minimum dividends of 30% of the Group's annual profit after tax ("PAT") on an annual basis attributable to shareholders of the Company.

The ability to pay dividends or make other distributions to shareholders is subject to the Companies Act, 2016 and various factors, such as having profits and excess funds not required to be retained to fund the Company's working capital requirements. The Board shall take into consideration, amongst others, the following factors when recommending dividends: -

i. the availability of adequate distributable reserves and cash flow;
ii. operating cash flow requirements and financing commitments;
iii. anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;
iv. any material impact of tax laws and other regulatory requirements;

	v. prior approval from some bankers, if any; and vi. such other factors considered and deemed relevant by the Board. This dividend policy merely reflects the Board's current views and merely describes our Group's present intention and should not be viewed or be construed as a legally binding statement in respect of the Group's future dividends which is subject to modification at the discretion of the Board. The Board after taking into consideration the factors stated in the dividend policy is of the view that the retention of adequate cash reserves now to meet working capital requirements for on-going project is of the utmost importance to safeguard the Group and to ensure the successful delivery of projects undertaken. The Board will only recommend the payment of any dividend when the factors outline in the dividend policy are positively met.
Q3. A3.	Does the Board intend to engage external consultants or internal auditors to validate the data of the indicators stated in the Sustainability Statement? Cabnet recognises and prioritises sustainability in its long-term business growth and is committed to embedding effective sustainable practices in its operations. In mapping its sustainability journey, the Board is acutely aware of the cost and benefits in any measures and plans to be implemented and at this juncture a decision whether to engage an external party to review and validate the data of indicators in its Sustainability Statement has not arisen yet as we have yet to comply with the Enhanced Sustainability disclosures.
Q4. A4.	Sustainability Statement - The Board has yet to formalise the governance structure in relation to the Cabnet's sustainability management. What is the progress in formalising the governance structure as it is applicable for Ace Market Listed Issuer in the annual report issued for FYE on or after 31 December 2024? Elaborating on our reply under Question 3 above, the formalisation of a governance structure for the Group's Sustainability Management is still currently a work in progress but will be put in place before its implementation dateline.
Q5. A5.	The current year net profit was partly contributed by fair value changes on deferred consideration of RM1,314k. By excluding this one-off gain, the net profit will be only RM2,260k and net profit margin of only 1.1%. How the Board and Management plan to improve the profit margin of Cabnet? The Group's profit margin (after excluding the one-off gain from fair value changes on deferred consideration) had improved to 1.34% in FYE2024 from 0.19% in FPE2023 primarily due to higher revenue and other income coupled with lower administrative expenses and impairment provision. The Group review on an ongoing basis its strategies plan in relation to its business including ways to improve the Group's profit margin. The following action plans have been identified: i. The Group will remain focused on its core business and strive to continue screening viable projects to sustain growth and improve the Group's performance. ii. Initiate and implement measure to improve efficiency and productivity to lower the Group's administrative and operational costs by streamlining its organisational structure.

iii. Reduce and minimise the Group's impairment provision of financial assets by improving and tightening its credit control including recovery of overdue debts to avoid additional impairment provisions.

iv. Directing the Group's non-core assets to monetize and generate cash liquidity to support the Group's operations and reduce utilization of borrowings to lower down our finance costs.

Q6. Subsequent event of acquisition of property - As per the announcement, the Purchase Price of the property is RM8.3 million. However, the valuation report from CBRE WTW Valuation & Advisory Sdn Bhd (Chartered Surveyors) is not ready at this juncture of announcement. Hence, could the Board please elucidate to the shareholders, how the Purchase Price of RM8.3 million is determined and why it is not over-valuing the Property? Is it appropriate to agree the purchase price before having the valuation exercise completed?

A6. As disclosed in our announcement dated 30th May 2024, the Board took into consideration:

i. The strategic location and after making comparisons with the current market values of properties surrounding the Property.

ii. The proposed partial contra settlement of debts outstanding and owing by Axbena Sdn Bhd.

iii. The conversion of an unsecured debt into a fixed asset of Cabnet Systems (M) Sdn Bhd ("CSM") to protect CSM's interest with the newly acquired asset expected to yield rental income arising from the 3 years leasing option by the seller.

CBRE WTW Valuation & Advisory Sdn Bhd (Chartered Surveyors) was engaged as Valuers to conduct a valuation of the Property for financing purpose. The Valuers had given an indicative market value of RM8.0 million for the property subject to the issuance of an Official Valuation Report.

The Valuation Report was not the only factor taken into consideration for the purchase of the Property and therefore the issue of whether it is appropriate to agree to the purchase price before having the valuation exercise completed does not arise.

The Valuation Report has since been issued by the Valuers dated 14th June 2024 and the Valuers have expressed that the Market Value of the Property is RM8.0 million.

Q7. Note 9 - Loss allowance of RM1,317,409 as at 29/2/2024. Is the loss allowance related to the indebtedness owing by Axbena Sdn Bhd which Cabnet entered into a SPA to acquire property (ie. the subsequent event)? If not, why the amount due from Axbena Sdn Bhd was not provided for expected credit losses?

A7. No, the loss allowance not related to the indebtedness owing by Axbena Sdn Bhd. CSM had entered settlement agreement with Axbena Sdn Bhd to settle the debt owing. As such there is no loss allowance provided for.

Q8. Why such acquisition is only partially set-off for the amount due from Axbena Sdn Bhd and not 100% fully set-off? Why Cabnet opts to pay the RM1,719,390.18 that is not off-set? That amount is supposed be collected instead of paying out. Please elucidate the rationale of such arrangement and how the RM1.7 million is to be collected and by when?

A8. The property is charged to Ambank (M) Berhad as security for the loan taken by seller to finance the acquisition of property previously. As of SPA date, the loan outstanding sum owing to banker is approximately RM3.80 million, and full settlement of the outstanding sum to banker is required to discharge the property.

After due negotiation with seller and considering of seller financial strength, CSM will settle the outstanding sum owing to banker and therefore only remaining balance of approximately RM4.50 million were set off with the indebtedness owing by Axbena Sdn Bhd. The Board's decision of such arrangement had taken into consideration of the customer's financial capabilities as well as the cost of other debt recovering method and decide this is the best option for the Group. In addition, acceptance of debt settlement via property contra provide security to Group's interest as overdue receivables are often unsecured debt which ranked the last when come to liquidation process.

The remaining indebtedness of RM1.70 million owing by Axbena Sdn Bhd will be settled by contra off with property and/or cash settlement. As of this AGM date, a RM518k debt has set-off with 1 unit of apartment as part of the Settlement Agreement entered by CSM with Axventure and Axbena. Balance debt is to be repay in cash via instalments not later than February 2026 as per instalments scheduled agreed between parties.