

**KEJURUTERAAN ASASTERA BERHAD**

[199701005009 (420505-H)]  
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT NO. 18, JALAN RADIN BAGUS 9, BANDAR BARU SERI PETALING, 57000 KUALA LUMPUR, ON THURSDAY, 20 MAY 2021 AT 9.30 A.M.**

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- Present at Broadcast Venue : Datuk Dr Ong Peng Su ("Chairman")  
Dato' Lai Keng Onn ("Managing Director")
- Present via video conferencing : Choong Gaik Seng (Executive Director)  
Datin Alicia Chan Pey Kheng (Executive Director)  
Goh Kok Boon (Executive Director)  
Lu Chee Leong (Independent Non-Executive Director)  
Tong Siut Moi (Independent Non-Executive Director)

**1. CHAIRMAN**

On behalf of the Board, the Chairman welcomed all present to the Company's 24<sup>th</sup> Annual General Meeting ("AGM"), which was being held remotely from the various locations through live streaming.

The Chairman informed that as part of the Company's safety measures against the COVID-19 pandemic, the Board was taking the well-being of the Company's shareholders, stakeholders and employees seriously and as such, the 24<sup>th</sup> AGM was being convened entirely through live streaming from the Broadcast Venue at the Head Office of the Company.

The Chairman then introduced the Board members and Company Secretary to the shareholders.

**2. QUORUM**

For a fully virtual general meeting, the quorum shall be determined by the number of members who log in at the commencement of the meeting. The Chairman informed that there was a quorum and he called the meeting to order at 9.30 a.m.

**3. NOTICE**

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company within the statutory period, was taken as read.

Before proceeding to the items of the agenda, the Chairman informed the members that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at the AGM would be voted by poll. The Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd., had been appointed as the Poll Administrator for the polling process and Asia Securities Sdn. Bhd. had been appointed as the independent Scrutineer to validate the votes cast.

As this AGM was conducted entirely through live streaming from the Broadcast Venue at the Head Office of the Company, the resolutions to be tabled at the AGM would be put to vote remotely using the remote participation and voting or the RPV application. The voting on the resolutions could be done any time during the meeting. Alternatively, the shareholders could vote at the end of the AGM. The Chairman further briefed the shareholders on the administrative matters, voting procedure and how to raise questions to the Board during the AGM.

*[The voting's instruction was displayed on the video conference's screen for the shareholders' information.]*

4. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS**

The Audited Financial Statements for the financial year ended 31 December 2020, together with the Reports of the Directors and Auditors, having been circulated to all the members of the Company within the statutory period, were tabled before the meeting.

The Audited Financial Statements for the financial year ended 31 December 2020, together with the Reports of the Directors and Auditors thereon, were received and noted.

5. **RESOLUTION 1: APPROVE THE AGGREGATE DIRECTORS' FEES PAYABLE TO THE DIRECTORS OF THE COMPANY OF AN AMOUNT NOT EXCEEDING RM399,500 PER ANNUM FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The Chairman informed the meeting that an amount not exceeding RM399,500 per annum was recommended for payment as Directors' fees for the financial year ending 31 December 2021.

The following motion was put to the meeting for consideration.

*"THAT the payment of Directors' fees to the Directors of the Company for an amount not exceeding RM399,500 per annum for the financial year ending 31 December 2021 be approved."*

6. **RESOLUTION 2: RE-ELECTION OF DATIN CHAN PEY KHENG AS DIRECTOR PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION**

The Chairman informed the meeting that Datin Chan Pey Kheng was subject to retirement under Clause 76(3) of the Company's Constitution and being eligible, had offered herself for re-election accordingly.

The following motion was put to the meeting for consideration.

*"THAT Datin Chan Pey Kheng, the Director who is retiring pursuant to Clause 76(3) of the Company's Constitution and being eligible, has offered herself for re-election, be and is hereby re-elected as a Director of the Company."*

7. **RESOLUTION 3: RE-ELECTION OF LU CHEE LEONG AS DIRECTOR PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION**

The Chairman informed the meeting that Lu Chee Leong was subject to retirement under Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election accordingly.

The following motion was put to meeting for consideration.

*"THAT Lu Chee Leong, the Director who is retiring pursuant to Clause 76(3) of the Company's Constitution and being eligible, has offered himself for re-election, be and is hereby re-elected as a Director of the Company."*

8. **RESOLUTION 4: RE-ELECTION OF DATUK DR ONG PENG SU AS DIRECTOR PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION**

As Resolution 4 dealt with the Chairman's re-election as Independent Non-Executive Director of the Company, the Chairman passed the chair to the Managing Director, Dato' Lai Keng Onn, to proceed with Resolution 4.

The following motion was put to meeting for consideration:-

*"THAT Datuk Dr Ong Peng Su, the Director who is retiring pursuant to Clause 78 of the Company's Constitution and being eligible, has offered himself for re-election, be and is hereby re-elected as a Director of the Company."*

Dato' Lai Keng Onn passed the chair back to the Chairman to continue with the meeting.

9. **RESOLUTION 5: RE-APPOINTMENT OF AUDITORS**

The Chairman informed the meeting that the Company's External Auditors, Messrs. Kreston John & Gan, had expressed their willingness to continue in office.

The following motion was put to meeting for consideration:

*"THAT Messrs Kreston John & Gan be hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration."*

10. **RESOLUTION 6: ORDINARY RESOLUTION  
AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016  
FOR THE DIRECTORS TO ISSUE SHARES**

The Chairman informed that the full text of the Ordinary Resolution 6 was set out in the Notice of meeting and the following motion was put to meeting for consideration:

*"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").*

*THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.*

*THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their*

*absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").*

*THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:*

- a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;*
- b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or*
- c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,*

*whichever is the earlier.*

*(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)*

*THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.*

*THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.*

*AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."*

**11. RESOLUTION 7: ORDINARY RESOLUTION  
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The Chairman informed that the full text of the Ordinary Resolution 7 was set out in the Notice of meeting and the detailed information on the Proposed Renewal of Authority for Share Buy-Back was set out in the Statement to Shareholders dated 21 April 2021. The following motion was put to the meeting for consideration:-

*"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to*

*purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:*

- i. the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and*
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,*

*("Proposed Share Buy-Back").*

*AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:*

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution was passed, at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions;*
- b. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or*
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,*

*whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.*

*AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:*

- i. To cancel all or part of the Purchased Shares;*

- ii. *To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;*
- iii. *To distribute all or part of the treasury shares as dividends to the shareholders of the Company;*
- iv. *To resell all or part of the treasury shares;*
- v. *To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;*
- vi. *To transfer all or part of the treasury shares as purchase consideration;*
- vii. *To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or*
- viii. *To deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.*

*AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."*

## 12. **ANY OTHER BUSINESS**

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

## 13. **QUESTION AND ANSWER SESSION**

At the invitation of the Chairman, Dato' Lai Keng Onn addressed the questions submitted by the shareholders before and during the 24<sup>th</sup> AGM.

### (i) **Question/Comments:**

What is the prospect of the renewable energy and energy efficiency solutions business which is currently still an insignificant portion of the Group's business? How fast the expansion and profit contribution being expected moving forward?

**Response:**

The energy segment would improve the Company's earning feasibility from the year of 2021 onwards. The plan for energy segment has been slightly delayed compared to the forecast of growth in Malaysia, Thailand and Vietnam due to the travel restrictions related to the pandemic. If all the energy projects in the pipeline were successfully implement, the segment would start to contribute the top line and bottom line of the financial statements by end of the year of 2021 and would continue to contribute more in the year of 2022.

Currently, the Company has the cogeneration facility and waste heat recovering projects at three plants with a total capacity of 5.7 Megawatt. One of the plants with a capacity of 1.5 Megawatt ("MW") was expected to commence operation in the third quarter of the year of 2021. The other two assets were a 2.0 MW cogeneration facility and a 2.2 MW waste heat recovery facility which were at the final stage of completion.

**(ii) Question/Comments:**

The contract assets had increased significantly which led to the tight cashflows of the Group. How the Group manages its liquidity and cash requirements? When will the contract assets balances being billed and collected? Any recoverability issue for the contract assets?

**Response:**

The Company has utilised bank facility to overcome the short-term cash environment and made collection efforts to tighten the credit control procedures. The contract assets would be billed upon receipt of certification and collected when due.

Currently, there had been no recoverability issue on the contract asset.

**(iii) Question/Comments:**

Any significant delay to the projects undertaken by the Group due to the lockdown?

**Response:**

The Company was able to fully resume operations from 1 June 2020 and was able to minimise the disturbance to the projects' schedule. Management had been monitoring the development of business closely. The work progress of the Company basically follows the work progress of the builders. One of the issues caused by the lockdown was shortage of manpower. The impact of lockdown on the work progress was not significant.

The new projects of the Company had increased by 27% in the year of 2020 as compared to year 2019. In the first quarter of the year of 2021, the Company was able to secure six (6) new projects. Currently, all these projects were on time.



(iv) **Question/Comments:**

Why the Group's borrowings had increased significantly and what are the purposes for such funds being used for?

**Response:**

The higher borrowing was due to the slower turnover of trade collection which led to higher utilisation of trade financing overdraft facility.

(v) **Question/Comments:**

Why there is reclassification of prior year figures as stated in Note 48 to the financial statements?

**Response:**

The reclassification was for better presentation purposes and clear understanding of the Property, plant and equipment ("PPE") and Right-of-use assets.

The Chairman informed that for questions which was not addressed during the Q&A session, the Board will endeavor to respond to the shareholders via email.

There being no further questions raised, the Chairman proceeded with the polling process.

14. **CONDUCT OF POLL**

Having dealt with all the items on the agenda, the meeting then proceeded to vote on Resolutions 1 to 7 by poll. The Chairman adjourned the meeting at 10.11 a.m. for the Poll Administrator and the Scrutineer to complete the counting and verification of the votes.

Upon notification by the Scrutineer on the completion of verification of votes, the Chairman called the meeting to order at 10.38 a.m. and announced the poll results.

Based on the poll results attached hereto as "Appendix A", the Chairman declared Resolutions 1 to 7 carried.

15. **CLOSURE**

There being no further business, the meeting concluded at 10.39 a.m. with a vote of thanks to the Chair.