

KEJURUTERAAN ASASTERA BERHAD

[Registration No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

MINUTES OF THE FULLY VIRTUAL EXTRAORDINARY GENERAL MEETING ("EGM") OF KEJURUTERAAN ASASTERA BERHAD ("KAB" OR "THE COMPANY") HOSTED ON SECURITIES SERVICES E-PORTAL VIDE [HTTPS://SSHSB.NET.MY](https://sshsb.net.my) (DOMAIN REGISTRATION NO. WITH MYNIC BERHAD: D4A004360) PROVIDED BY SS E SOLUTIONS SDN. BHD. IN MALAYSIA ON THURSDAY, 17 NOVEMBER 2022 AT 9:30 A.M.

DIRECTORS PRESENT	: Datuk Dr. Ong Peng Su (Independent Non-Executive Chairman) Dato' Lai Keng Onn (Executive Director/ Managing Director) Datin Chan Pey Kheng (Chief Operating Officer/Executive Director) Mr. Choong Gaik Seng (Executive Director) Mr. Goh Kok Boon (Executive Director) Mr. Lu Chee Leong (Independent Non-Executive Director) Ms. Tong Siut Moi (Independent Non-Executive Director)
MEMBERS	: As per Attendance List
PROXY HOLDERS	: As per Attendance List
INVITEES/OTHERS	: As per Attendance List
IN ATTENDANCE	: Ms. Chua Siew Chuan (<i>Company Secretary</i>) Ms. Elizabeth Lee (<i>Assisting the Company Secretary</i>)

CHAIRMAN

Datuk Dr. Ong Peng Su ("**Datuk Chairman**"), the Independent Non-Executive Chairman of the Company was in the Chair. Datuk Chairman welcomed all present to the live streaming of the Extraordinary General Meeting ("**EGM**") of the Company and called the Meeting to order at 9:30 a.m.

Datuk Chairman informed that keeping in mind the continuing safety and health of shareholders, the Board had decided that the EGM be conducted via live stream webcast and online remote voting using the remote participation and voting facilities without any physical attendance by shareholders and proxies.

Datuk Chairman then introduced the Directors, Company Secretary and the Principal Adviser of the Company.

QUORUM

The requisite quorum being present pursuant to Clause 56.2 of the Company's Constitution, Datuk Chairman declared the Meeting duly convened.

KEJURUTERAAN ASASTERA BERHAD
[Registration No. 199701005009 (420505-H)]
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(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

PROCEEDINGS

Datuk Chairman informed the Meeting that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and pursuant to Section 330 of the Companies Act 2016, Datuk Chairman exercised his right as the Chairman of the Meeting and demanded that a poll be conducted for all the resolutions which were put forth for voting at the Meeting to demonstrate shareholder democracy of one-share one-vote.

Ms. Elizabeth Lee ("**Ms. Lee**"), the *representative of the Company Secretary* briefed the Meeting that Datuk Chairman would take the Meeting through each item on the Agenda, followed by a question and answer ("**Q&A**") session. Shareholders and proxies might rely on real time submission of typed texts to exercise the rights to speak or communicate in a virtual meeting. Therefore, shareholders or proxies who were attending the EGM may use the query box facility under the live stream player to transmit their questions or remarks in real-time during the Meeting.

The Meeting was further informed that there were shareholders who were unable to participate in the Meeting remotely and had appointed Datuk Chairman of the Meeting to vote on their behalf. Accordingly, Datuk Chairman would be voting in his capacity as proxy in accordance with the shareholders' instructions, where indicated.

Ms. Lee mentioned that there was no legal requirement for a proposed resolution to be seconded and informed that the voting session had commenced from the start of the Meeting and shall continue until the closure of the voting session to be announced later. Alternatively, shareholders, proxies or corporate representatives may cast their vote after all the questions and answers in relation to each Agenda and resolution have been dealt with.

The Meeting was further informed that SS E Solutions Sdn. Bhd. was the appointed Poll Administrator and Commercial Quest Sdn. Bhd. was the appointed Independent Scrutineer to verify the results of the poll voting.

The Meeting noted on the voting procedure as explained by the step-by-step guide together with a short audio clip on the online voting module within the e-Portal.

Datuk Chairman informed the Meeting that only members whose names appeared in the Record of Depositors on 10 November 2022 were eligible to attend the Meeting.

NOTICE OF MEETING

The Notice convening the Meeting, having been circulated within the prescribed period was, with the permission of the Meeting be taken as read.

1.0 ORDINARY RESOLUTION 1

- PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF KAB AND ITS SUBSIDIARIES TO INCLUDE THE SES BUSINESS ("PROPOSED DIVERSIFICATION")

Datuk Chairman informed that the first item of the Agenda was to approve Ordinary Resolution 1 in respect of Proposed Diversification.

KEJURUTERAAN ASASTERA BERHAD

[Registration No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

The Meeting noted that the proposed adoption of the Proposed Diversification would allow the Group to diversify its business and create an additional source of income on top of the existing contribution from its core Mechanical and Engineering Business.

The Meeting further noted that the Proposed Diversification would also provide the Group with an opportunity to expand its participation in the fast-growing renewable energy, clean energy and energy efficiency industries.

The Meeting noted that the details of the Proposed Diversification was provided in the Circular to Shareholders dated 1 November 2022.

2.0 ORDINARY RESOLUTION 2

- **PROPOSED PRIVATE PLACEMENT OF UP TO 361,581,000 NEW ORDINARY SHARES IN KAB, REPRESENTING APPROXIMATELY 20% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES OF KAB (EXCLUDING TREASURY SHARES), TO INDEPENDENT THIRD-PARTY INVESTOR(S) TO BE IDENTIFIED LATER AND AT AN ISSUED PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")**

Datuk Chairman informed that the second item on the Agenda was to approve the Ordinary Resolution 2 in respect of the Proposed Private Placement.

The Meeting noted that the proceed from the Proposed Private Placement would be utilized mainly for working capital, repayment of bank borrowings and funding for existing and future SES projects. The additional working capital funds would facilitate the Group's existing day-to-day operations and the repayment of bank borrowing which was expected to result in interest savings and lower gearing.

The Meeting noted that the detail of the Proposed Private Placement was provided in the Circular to Shareholders dated 1 November 2022.

QUESTION AND ANSWER SESSION

Datuk Chairman informed the Meeting that the following questions were received from the shareholders in relation to the Agenda items, and responded to the questions as follows:-

1) Questions from Mr. Chan Fung Han ("Mr. Chan"), a shareholder

- (a) How much is KAB expected to raise from this private placement and how the funds will be utilized? How long will the funds raised expected to last for i.e. will KAB put forth further rounds of private placement in the future?

Answer

Dato' Lai Keng Onn ("**Dato' Lai**"), the Managing Director of the Company responded that the Proposed Private Placement was to issue up to 361.6 million new shares, representing approximately 20% of the Group's existing issued shares.

KEJURUTERAAN ASASTERA BERHAD

[Registration No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

Based on an illustrative issue price of RM0.3705 and the potential proceeds raised of RM134.0 million, the Group intended to allocate RM36.0 million for working capital purposes, RM31.0 million for repayment of bank borrowings, RM66.2 million for funding existing and future SES projects, and RM0.8 million for estimated listing expenses.

The fund allocated for funding existing and future SES projects is intended to be utilised within 3 years.

The Group may continue to raise fund from the capital market through Private Placement in view that the Private Placement is the fastest and cheapest means to raise fund for the Group's expansion plan.

- (b) Are both resolutions contingent and inter-conditional with each other?

Answer

Dato' Lai responded that the Private Placement was part of the expansion plan to fund the Group's existing and upcoming projects and both resolutions are not contingent or conditional upon each other. The Group anticipated the Net Profit contribution by the SES division will exceed approximately twenty-five per centum (25%) of the Group Net Profit and the Group will continue to actively look for acquisition opportunities. The Group foresee SES would play a major part in contributing to the earnings for the Group, hence the Group is seeking shareholders' approval for the Diversification as required under the Listing Requirements.

- (c) KAB announced quite a number of transactions and proposals recently. Could the Board please recap all these transactions and proposals to help minority shareholders in understanding the strategic direction of KAB?

Answer

Dato' Lai responded that the Group was moving toward the direction of a one-stop engineering and energy solutions provider in Southeast Asia. The Group was focusing on green energy and energy generation in Malaysia and the regional area. The current strong profile of the Group is in the energy-efficient solution segment and mechanical and engineering segment. Dato' Lai reiterated that the Group was transforming into one-stop engineering and energy solutions.

- (d) No presentation by the corporate advisers or consultants?

Answer

Dato' Lai responded that all information on the resolutions were detailed in the Circular, hence the advisors/consultants would not be making any presentation during the EGM. The shareholders were advised to write to the Group for any enquiries pertaining to the Proposed Diversification and Proposed Private Placement.

There being no further questions raised, the Meeting proceeded with the poll voting.

KEJURUTERAAN ASASTERA BERHAD
[Registration No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

POLLING PROCESS

At this juncture, the step-by-step guide together with a short audio clip on the online voting module within the e-Portal was played again. Shareholders and proxy holders were given another five (5) minutes to cast and submit their votes. Thereafter, the Scrutineer proceeded to verify the poll result.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed and Datuk Chairman then called the Meeting to order at 10:06 a.m. for the declaration of the poll result.

The result of the poll were then displayed as follows:-

1.0 ORDINARY RESOLUTION 1

- **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF KAB AND ITS SUBSIDIARIES TO INCLUDE THE SES BUSINESS ("PROPOSED DIVERSIFICATION")**

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Resolution 1	699,579,033	99.9555	311,128	0.0445	Carried

Datuk Chairman declared that the Ordinary Resolution 1 on the Proposed Diversification was carried as follows:-

*"**THAT** approval be and is hereby given to the Board of Directors ("**Board**") to implement the diversification of the business of KAB and its subsidiaries to include the provision of sustainable energy solutions ("**SES Business**");*

***THAT** the Board be and is hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to give full effect to the Proposed Diversification with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company;*

***AND THAT** the Company Secretaries be hereby authorised and instructed to do all the necessary and deemed fit to lodge the prescribed form in accordance with the Companies Act, 2016 ("**Act**") with the Companies Commission of Malaysia for and on behalf of the Company."*

KEJURUTERAAN ASASTERA BERHAD

[Registration No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

2.0 ORDINARY RESOLUTION 2

- **PROPOSED PRIVATE PLACEMENT OF UP TO 361,581,000 NEW ORDINARY SHARES IN KAB, REPRESENTING APPROXIMATELY 20% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES OF KAB (EXCLUDING TREASURY SHARES), TO INDEPENDENT THIRD-PARTY INVESTOR(S) TO BE IDENTIFIED LATER AND AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")**

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Resolution 2	699,564,846	99.9535	325,315	0.0465	Carried

Datuk Chairman declared that the Ordinary Resolution 2 on the Proposed Private Placement was carried as follows:-

***"THAT** subject to the approval of all the relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board to allot and issue up to 361,581,000 new KAB Shares ("**Placement Shares**"), representing approximately 20% of the enlarged total number of issued shares of the Company, by way of private placement to independent third party investor(s) to be identified later in 1 or more tranches at an issue price for each tranche to be determined at a later date by the Board ("**Price-Fixing Date**") upon such terms and conditions as disclosed in the circular to the shareholders of the Company ("**Shareholders**") dated 1 November 2022 ("**Circular**") ("**Proposed Private Placement**");*

***THAT** the issue price for each tranche of the Placement Shares will be determined based on a discount of not more than 20% to the 5-day volume-weighted average market price of the Shares up to and including the last trading day immediately preceding the Price-Fixing Date;*

***THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes and in such manner as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds in the manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company;*

***THAT** the Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Placement Shares;*

***THAT** the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to*

KEJURUTERAAN ASASTERA BERHAD

[Registration No. 199701005009 (420505-H)]

(Incorporated in Malaysia)

(Minutes of the Fully Virtual EGM held on 17 November 2022 – cont'd)

give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement;

THAT pursuant to Section 85(1) of the Act to be read together with Article 12 of the Constitution of the Company, it may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of this offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**") and accordingly, should this resolution for the allotment and issuance of the Placement Shares be passed by the Shareholders, this resolution shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights in respect of the new Placement Shares to be allotted and issued by the Company pursuant to the Proposed Private Placement, which will result in a dilution to the Shareholders' shareholdings in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement."

CONCLUSION

There being no other business to be transacted, Datuk Chairman concluded the Meeting and thanked all present for their attendance. The Meeting ended at 10:08 a.m. with a vote of thanks to the Chair.

Dated: 17 November 2022