

**PEKAT GROUP BERHAD**  
**201901011563 (1320891-U)**  
(Incorporated in Malaysia)

Minutes of the Fourth Annual General Meeting of Pekat Group Berhad (“the Company”) held on a virtual basis by way of live streaming from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 13 June 2023 at 10.00 a.m.

**Members of the Board of Directors present:**

1. Mr Kok Kong Chin ) Chairman  
(*Independent Non-Executive Chairman*)
2. Mr Tai Yee Chee ) Member  
(*Executive Director and Chief Executive Officer*)
3. Mr Chin Soo Mau ) Member  
(*Executive Director*)
4. Mr Wee Chek Aik ) Member  
(*Executive Director and Chief Commercial Officer*)
5. Ms Yeong Siew Lee ) Member  
(*Independent Non-Executive Director*)
6. Datin Shelina Binti Razaly Wahi ) Member  
(*Independent Non-Executive Director*)
7. Mr Ong Keng Siew ) Member  
(*Independent Non-Executive Director*)
8. Ms Ooi Youk Lan ) Member  
(*Non-Independent Non-Executive Director*)

**In attendance:**

1. Ms Candy Ong Wai Leng  
(*Company Secretary*)

**By invitation:**

1. Mr Oh Keng Jin  
(*Chief Financial Officer*)
2. Ms Phon Pooi Yin  
(*Representing Grant Thornton Malaysia PLT – External Auditors*)
3. Ms Cynthia Toh Mei Lee  
(*Partner of Wong, Beh & Toh*)

**Attendance of Shareholders, Proxies and authorised Representatives (as per attendance list):**

1. The number of shareholders, proxies and authorised representatives who participated in the virtual meeting at its commencement of meeting was 15, and the total number of shareholders, proxies and authorised representatives who had at any point of time participated in the virtual meeting was 58.
2. The Meeting received 14 proxy forms appointing the Chairman, representing 427,270,366 shares.

**1. OPENING REMARKS**

On behalf of the Board of Directors (“the Board”), Chairman of the Company, Mr Kok Kong Chin, welcomed the shareholders, proxies, and authorised representatives to the Fourth Annual General Meeting (“4th AGM” or “the Meeting”) of the Company. Chairman informed that the 4th AGM was conducted virtually from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room in Bangsar South.

Chairman further informed that the broadcast venue was strictly for the purpose of complying the Section 327(2) of the Companies Act 2016 which required the Chairman of the Meeting to be present at the main venue of the 4th AGM.

It was also announced that the attendance of the 4th AGM was restricted to the shareholders, proxies and authorised representatives of corporate shareholders who had registered to join the meeting remotely. Chairman informed that the recording of proceedings of the 4th AGM was to capture key discussions. As the discussion that transpired in the 4th AGM was deemed confidential, any visual or audio recording was strictly prohibited, unless prior written consent was obtained. Chairman thanked the attendees for participating remotely from various locations through live streaming.

**2. NOTICE**

The Notice of 4th AGM which had been sent to all shareholders within the statutory period, was taken as read.

Chairman introduced the members of the Board of Directors, the Chief Financial Officer, the Company Secretary, the audit partner of Grant Thornton Malaysia PLT and the partner from Wong, Beh & Toh, who were present at the 4th AGM broadcast venue and via video conference respectively.

Thereafter, attendees were briefed that in order to ensure minimum interference during the virtual meeting, the Company only be projecting the screens to the board members and officers of the Company when necessary.

**3. QUORUM**

The Company Secretary confirmed the requisite quorum as at the commencement of the meeting was present.

It was informed by the Company Secretary that the shareholders of 473,082,500 shares had lodged their proxies within the stipulated time and shareholders of 427,270,366 shares had appointed Chairman of the meeting to be their proxies. As the requisite quorum was present, Chairman called the meeting to order.

Chairman informed that the Annual General Meeting (“AGM”) was a principal forum for dialogue with shareholders, proxies and authorised representatives, and all were invited to raise questions on the agendas and the resolutions to be tabled at the 4th AGM. Chairman thereafter explained how questions may be raised during the Meeting. Questions posted in the query box would be moderated to avoid repetition.

Next, Chairman informed shareholders that pursuant to Rule 8.31(A)(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the Notice of the 4th AGM dated 27 April 2023 would be decided by poll which would be conducted electronically via the Remote Participation and Voting (“RPV”) facility provided by Tricor Investor and Issuing House Sdn. Bhd. (“Poll Administrator” or “TIH”). The poll results would then be verified by Asia Securities Sdn. Berhad (“Scrutineers”), who had been appointed as the independent scrutineers. He added that voting on the resolutions could be done at any time throughout the Meeting until the closure of the voting session, and the result of the poll voting would be announced after the Scrutineers had verified the poll results. The process of how voting could be done using RPV facility and the hotline number for support was shared.

#### **4. PRESENTATION ON THE COMPANY’S PERFORMANCE**

Chairman invited the Company’s Chief Executive Officer, Mr Tai Yee Chee (“Mr Tai”), to present the Company’s achievements for the financial year ended 31 December 2022 (“FY2022”).

Mr Tai presented the achievements of the Company for the FY2022, amongst others, covered the following areas:

1. Secured a RM38.0 million large-scale solar project at Batang Padang, Perak;
2. Signing of a Memorandum of Understanding with Proton Global Services Sdn Bhd;
3. Significant projects secured by the Earthing & Lightning division, amongst others:
  - a. Johor Bahru-Singapore Rapid Transit System;
  - b. Infineon and Osram plants at Kulim, Kedah;
  - c. Intel Pelican Project at Penang;
  - d. YTL Data Centre, Yondr Data Centre, AIMS Data Centre and AirTrunk Data Centre;  
and
  - e. Kempas Double Track.
4. Launching of the Company’s brand-named innovation, “PEKAT ELP Monitoring System” that enables real-time monitoring of lightning strikes and earth resistance;
5. Recognition by the highly coveted Asia Pacific Enterprise Awards 2022 for the following companies:
  - a. Pekat Solar Sdn. Bhd.; and
  - b. Pekat E & LP Sdn. Bhd.

Chairman then proceeded the Meeting by inviting Mr Oh Keng Jin (“Mr Oh”), the Chief Financial Officer of the Company, to present the Group’s financial highlights for FY2022. Mr Oh’s presentation, amongst others, covered the following areas:

1. Revenue of the Group and Divisions;
2. Profit After Tax of the Group; and
3. Key Financial Ratios.

When the presentation completed, Mr Oh passed the Meeting back to the Chair.

#### **AS ORDINARY BUSINESS**

5. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON**

The Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Reports of Directors and Auditors were tabled to the Meeting for discussion only.

It was noted that this agenda item was required to be laid before the Meeting and was not required to be put to vote under the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act").

6. **ORDINARY RESOLUTION 1  
RE-ELECTION OF MR KOK KONG CHIN**

Chairman then invited Datin Shelina Binti Razaly Wahi ("Datin Shelina"), the Chairperson of the Nominating Committee, to chair the second and third agenda of the Meeting. Datin Shelina tabled the motion for the re-election of Mr Kok Kong Chin ("Mr Kok") who was retiring in accordance with Clause 128 of the Constitution of the Company. Mr Kok had indicated his willingness to be re-elected.

7. **ORDINARY RESOLUTION 2  
RE-ELECTION OF MR TAI YEE CHEE**

Datin Shelina tabled the motion for the re-election of Mr Tai, who was retiring as director in accordance with Clause 128 of the Constitution of the Company. She shared that Mr Tai had indicated his willingness to be re-elected.

8. **ORDINARY RESOLUTION 3  
RE-ELECTION OF MS OOI YOUK LAN**

Next, Datin Shelina tabled the motion for the re-election of Ms Ooi Youk Lan ("Ms Ooi"), who was retiring in accordance with Clause 134 of the Constitution of the Company. Datin Shelina informed that Ms Ooi had confirmed her willingness to be re-elected.

9. **ORDINARY RESOLUTION 4  
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023**

Datin Shelina passed the Meeting to the Chair for the next agenda item. The agenda for the payment of Directors' fees of up to RM227,000.00 for the financial year ending 31 December 2023 was tabled to the shareholders.

**10. ORDINARY RESOLUTION 5**  
**DIRECTORS' BENEFITS FROM 1 JULY 2023 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

Chairman proceeded with agenda 5 which was to approve the payment of Directors' benefits of up to RM59,000.00 from 1 July 2023 until the next AGM of the Company.

**11. ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF AUDITORS OF THE COMPANY**

The AGM moved to the next agenda on the re-appointment of Grant Thornton Malaysia PLT ("GT Malaysia") as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Chairman informed that GT Malaysia had expressed their readiness to continue serving as the Auditors of the Company until the conclusion of the next AGM with their remuneration to be fixed by the Directors. Chairman explained that the Board along with the Audit and Risk Management Committee had collectively agreed and recommended that GT Malaysia be reappointed as Auditors of the Company.

**SPECIAL BUSINESS**

**12. SPECIAL RESOLUTION 1**  
**WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT, 2016**

The Meeting proceeded to the next agenda pertaining to the waiver of pre-emptive rights pursuant to Sections 85 of the Act. The full text of the proposed resolution was set out in the Notice of the 4th AGM dated 27 April 2023.

Chairman informed that by voting this resolution, all existing shareholders of the Company are waiving their pre-emptive rights pursuant to Section 85 of the Act, to be read together with Clause 15 of the Constitution of the Company. This resolution, if passed, would allow the Directors of the Company to issue new shares to any person under the Proposed Mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

**13. ORDINARY RESOLUTION 7**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The AGM proceeded to discuss the next agenda on the proposed authority to issue and allot shares pursuant to Sections 75 and 76 of the Act. The full text of the proposed resolution was set out in the Notice of the 4th AGM dated 27 April 2023 and was taken as read.

Chairman informed that the proposed resolution, if passed, would empower the Directors of the Company to issue and allot new ordinary shares of the Company from time to time and to 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, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed

10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional time and cost.

Chairman informed that the mandate would be valid until the next AGM, unless revoked or varied by the Company in a general meeting.

**14. ORDINARY RESOLUTION 8**  
**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The meeting then proceeded with the next agenda on the proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") as set out under Section 2.3.3 of the Circular to Shareholders dated 27 April 2023.

Chairman informed that the details of the RRPT were stated in the Circular to Shareholders dated 27 April 2023 accompanying the Company's Annual Report for the financial year ended 31 December 2022.

**15. ANY OTHER BUSINESS**

At this juncture, the Company Secretary confirmed to Chairman that there was no notice given for any other business to be transacted at the AGM.

**16. QUESTION AND ANSWER SESSION**

Chairman informed that the Company had received questions from Minority Shareholders Watch Group ("MSWG"). Chairman then invited Mr Oh to share the questions from MSWG together the Company's responses.

The questions received from MSWG and responses by the Company are annexed hereto and marked as Annexure A.

Mr Oh then proceeded to response to all questions received from the shareholders, which were submitted through Tricor's TIIH online platform prior to the AGM and those received via the online query box.

A summary of questions received prior to and during the 4th AGM together with the Company's replies is annexed hereto and marked as Annexure B.

**17. POLL VOTING SESSION**

The Meeting proceeded to vote on the agenda. Upon completion of the casting votes by the shareholders, proxies and authorised representatives, the Meeting was adjourned to allow the Scrutineers to verify the votes casted.

## 18. ANNOUNCEMENT OF POLL RESULTS

At the receipt of the results of the poll, the Chairman reconvened the 4th AGM. The results were projected on the screen as follows:

| *Resolutions | Vote For    |         | Vote Against |        | Total Votes |          |
|--------------|-------------|---------|--------------|--------|-------------|----------|
|              | No of Units | %       | No of Units  | %      | No of Units | %        |
| OR 1         | 475,267,600 | 99.9907 | 44,100       | 0.0093 | 475,311,700 | 100.0000 |
| OR 2         | 408,490,700 | 99.9892 | 44,100       | 0.0108 | 408,534,800 | 100.0000 |
| OR 3         | 474,717,600 | 99.9907 | 44,100       | 0.0093 | 474,761,700 | 100.0000 |
| OR 4         | 474,365,200 | 99.9802 | 93,800       | 0.0198 | 474,459,000 | 100.0000 |
| OR 5         | 474,355,200 | 99.9781 | 103,800      | 0.0219 | 474,459,000 | 100.0000 |
| OR 6         | 475,260,200 | 99.9892 | 51,500       | 0.0108 | 475,311,700 | 100.0000 |
| SR 1         | 475,223,000 | 99.9813 | 88,700       | 0.0187 | 475,311,700 | 100.0000 |
| OR 7         | 475,265,000 | 99.9902 | 46,700       | 0.0098 | 475,311,700 | 100.0000 |
| OR 8         | 344,719,200 | 99.9877 | 42,500       | 0.0123 | 344,761,700 | 100.0000 |

\*Note: OR – Ordinary Resolution and SR – Special Resolution.

Based on the poll results, the Chairman declared that Ordinary Resolutions 1 to 8 and Special Resolution 1 as tabled at the meeting were carried.

It was **RESOLVED** as follows:

### **ORDINARY RESOLUTION 1**

#### **RE-ELECTION OF MR KOK KONG CHIN AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 128 OF THE CONSTITUTION OF THE COMPANY**

“THAT Mr Kok Kong Chin, the Director retiring in accordance with Clause 128 of the Constitution of the Company, being eligible and having offered himself for election, be and is hereby re-elected as Director of the Company.”

### **ORDINARY RESOLUTION 2**

#### **RE-ELECTION OF MR TAI YEE CHEE AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 128 OF THE CONSTITUTION OF THE COMPANY**

“THAT Mr Tai Yee Chee, the Director retiring in accordance with Clause 128 of the Constitution of the Company, being eligible and having offered himself for election, be and is hereby re-elected as Director of the Company.”

### **ORDINARY RESOLUTION 3**

#### **RE-ELECTION OF MS OOI YOUK LAN AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 134 OF THE CONSTITUTION OF THE COMPANY**

“THAT Ms Ooi Youk Lan, the Director retiring in accordance with Clause 134 of the Constitution of the Company, being eligible and having offered herself for election, be and is hereby re-elected as Director of the Company.”

**ORDINARY RESOLUTION 4**  
**PAYMENT OF DIRECTORS' FEES OF UP TO RM227,000.00 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023**

"THAT the payment of Directors' fees of up to RM227,000.00 for the financial year ending 31 December 2023 be and is hereby approved."

**ORDINARY RESOLUTION 5**  
**PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM59,000.00 FROM 1 JULY 2023 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

"THAT the payment of Directors' benefits of up to RM59,000.00 from 1 July 2023 until the next Annual General Meeting of the Company be and is hereby approved."

**ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF GRANT THORNTON MALAYSIA PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

"THAT Grant Thornton Malaysia PLT be and are hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration."

**SPECIAL RESOLUTION 1**  
**WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT, 2016**

"THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 ("the Act"), read together with Clause 15 of the Company's Constitution.

THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 7 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act."

**ORDINARY RESOLUTION 7**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, ACE 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 10% of the total number of issued shares (excluding any treasury shares) of the Company (“Proposed Mandate”).

THAT such approval on the Proposed 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.

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 ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed 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 Mandate.”

**ORDINARY RESOLUTION 8**  
**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)**

“THAT subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries to enter into and give effect to the RRPT with the related parties as set out in Section 2.3.3 of the Circular to Shareholders dated 27 April 2023 (“the Circular”), which are necessary for the Company and/or its subsidiaries’ day-to-day operations and are carried out in the ordinary course of business at arms’ length basis and on normal commercial terms and transaction price which are not more favorable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

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

- (a) the conclusion of the next Annual General Meeting of the Company, at which time this shareholders' mandate will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
  - (b) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is earlier.

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

#### **19. CLOSURE OF MEETING**

There being no other business, the Meeting closed at 11.00 a.m. with a vote of thanks to Chairman.

#### **SIGNED AS A CORECT RECORD**

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**KOK KONG CHIN**  
**CHAIRMAN OF THE MEETING**

Dated:

ANNEXURE A

QUESTIONS RECEIVED FROM MSWG AND RESPONSES FROM THE COMPANY

Q1: The commercial and industrial market segments, primarily led by Pekat Solar Sdn. Bhd, recorded a lower revenue of RM96.5 million in Financial Year (“FY”) 2022, compared to RM113.2 million in FY2021, due to disruptions in project execution (page 15 of Annual Report (“AR”) 2022).

- a) Were the disruptions caused by internal factors (such as operational issues or resource constraints) or external factors (such as regulatory changes or supply chain disruptions)? Have the issues causing the disruptions been resolved, or are they still ongoing?
- b) Did the disruptions result in additional expenses or unforeseen costs that further impacted the profitability of the commercial and industrial market segments?
- c) Did the disruptions impact all projects within the commercial and industrial market segments, or were certain projects more affected than others?
- d) If project execution had not been disrupted, what would have been the anticipated revenue for the commercial and industrial market segments in FY2022?

A1: a) *Some of the issues that resulted in the disruption included site readiness/preparation, heavy traffic in regulatory applications and delays in design finalisations with customers. Most of the issues had been resolved.*

b) *There were no significant costs incurred as the delays only resulted in some costs associated to slower inventory turnover like storage costs and financing of inventories.*

c) *Generally, there were no distinctions in terms of market segments that were observed.*

d) *Revenue would have been at par with our FY2021 results.*

Q2: The residential market under Solaroo Systems Sdn. Bhd. achieved RM11.7 million in revenue in FY2022, an increase of 234.3% from RM3.5 million in FY2021. The growth is a result of effective marketing activities including roadshows, exhibitions, and word-of-mouth recommendations (page 15 of AR 2022).

What is the current market demand for solar solutions in the smaller commercial and residential sectors? Can this growth be sustained in the long term?

A2: *Inflationary pressures were becoming more prevalent, especially for small businesses and residential.*

*Small Solar PV systems which were even cheaper than cars these days, provide a most affordable and practical proposition for small business owners and homeowners to reduce their cost of operations or living.*

*Coupled with the incentives given by the government like NEM Rakyat, the Company foresees that this segment has much potential for sustained growth.*

Q3: Pekat, through its associated company MFP Solar Sdn. Bhd., generates recurring revenue from Power Purchase Agreements (“PPAs”) with major clients like Proton and Indah Water. With additional PPAs and a solar power capacity exceeding 35MWp, annual revenue of over RM10.0 million is expected from solar energy sales (page 15 of AR 2022).

a) Please provide more details about the PPAs secured such as the duration of the agreements, the pricing structure, and any specific terms and conditions that may impact the revenue generated from these agreements.

b) What is the current operational capacity of the plants and when are they projected to be fully operational, generating the anticipated annual revenue of over RM10.0 million?

A3: a) *The agreements were generally for 15 to 20 years and the PPA tariff rates will differ from project to project. MSWG was directed to refer to Section 6.6.3.14 of the Prospectus dated 2 June 2021 for information on PPA with Proton and the announcement dated 1 September 2021 for information on PPA with Indah Water. All the solar systems will be maintained by Pekat for the duration of the tenure.*

b) *Two (2) of the Company’s plants were fully operational as of FY2022 while the remaining projects were targeted to be completed within FY2023. The full financial year revenue anticipated once all the projects on hand are completed will be over RM10 million.*

Q4: Earthing and Lightning Protection (“ELP”) division secured significant new contracts in Malaysia's northern and southern regions, including projects like the Johor Bahru Singapore Rapid Transit System, Light Rapid Transit Line 3, semiconductor facilities, and data centers, enhancing its established track record (page 15 & 16 of AR 2022).

Please provide more details about the new contracts secured by the ELP division, such as the value and duration of the contracts, the scope of work involved, and the expected revenue and profit contribution from these projects in FY2023.

A4: *The sum total of all the new contracts of the categories mentioned above amounted to over RM25.0 million and will be completed over 1 to 3 years. Revenue will be recognised based on the stage of completion of the individual projects.*

Q5: For FY2023, the Group will remain committed in various aspects: enhancing system designs, implementing cost optimisation initiatives, reducing reliance on trade banking facilities, and monitoring the cash flow of the Group (page 17 of AR 2022).

a) Please provide more details about the cost optimisation initiatives planned for FY2023? What areas or processes will be targeted for cost reduction, and what strategies will be employed to achieve these goals?

- b) In what ways does the Company plan to reduce its reliance on trade banking facilities? Are there alternative financing methods that will be implemented to achieve this objective?
- A5: a) *The Company's optimisation initiatives aspire to create value-added processes and engineering, so as to deliver more cost-effective and value-added solutions.*
- b) *The Company is working towards effectively balancing the current assets and by utilising the internal funds to finance projects where possible and extending credit periods from the Company's vendors. This will ultimately help in reducing the Company's financing expenses and improve profitability.*
- Q6: The Group recorded a lower after-tax profit of RM10.0 million in FY2022, compared to RM12.6 million in FY2021, mainly due to higher staff costs and finance costs. (page 9 of AR 2022).
- a) Do these increased costs align with the Company's growth plans?
- b) How does the Company plan to control and manage the increased staff costs in the long term? Are there any strategies or initiatives in place to optimize staffing expenses while achieving the desired production capacity and expansion goals?
- c) What measures are in place to monitor and evaluate the return on investment from the increased staff costs?
- A6: a) *Yes, the Company is currently increasing capacity in line with our growth strategy.*
- b) *The new hires were engaged to support the Company's new subsidiaries as well as existing subsidiaries to ensure the growth of the group. All subsidiaries were given targets which were monitored closely by management.*
- c) *All subsidiaries and their employees were given targets in the form of Key Performance Indicators (KPI) to measure their deliverables.*
- Q7: Trade receivables, contract assets, and the amount due from associates increased by RM8.7 million, RM4.9 million, and RM6.7 million respectively over FY2021, due to slower collections in FY2022. (page 14 of AR 2022).
- a) What factors contributed to the slower collections in FY2022?
- b) Are there any changes planned in the Company's credit and collection policies or procedures to improve the collection process in the future?
- A7: a) *Most businesses were in recovery mode post-Movement Control Order in FY2022 and this resulted in slower collections.*
- b) *Collection is a top priority for the Company and the team diligently works to ensure that amounts due are collected promptly.*

Q8: The Group is facing ongoing challenges in rising material prices and foreign currency fluctuations (page 8 of AR 2022).

What is the Company's plan to manage the challenges posed by rising material prices? Have there been efforts to negotiate better pricing with suppliers, diversify sourcing strategies, or implement cost-saving measures?

A8: *Yes, the Company is constantly engaged with suppliers to manage costs. Additionally, the Company's Optimisation Initiatives highlighted under query five (5) above also seeks to address ensuring cost-effectiveness in all aspects of our businesses.*

**KEY MATTERS DISCUSSED AT THE 4TH AGM**

Q1: Please reconsider giving e-wallet, e.g. Touch n Go of RM50.00 as token of appreciation and votes for your loyal shareholders and customers who installed solar panel from you.

A1: *Mr Oh replied that at the moment, there were no e-vouchers or e-wallets to be given to the shareholders at this AGM. He informed that the Company would take this into consideration for future meeting.*

Q2: Any bonus issue and dividend declared?

A2: *Mr Oh replied that as of to-date, the Company has yet to have any plan to issue bonus shares to shareholders but the Company would consider this in the future. In addition, the Company is currently assessing its financials and would consider to reward shareholders with dividends in the future.*

Q3: How much does the Company spend to hold this virtual AGM plus remote participation and voting? Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation?

A3: *Mr Oh informed that virtual meeting was more cost effective as compared to physical meeting. He added in post-Movement Control Order, the Company would continue to hold its AGM virtually.*

*He then thanked the shareholders' recommendation in providing door gift to its shareholders. He reiterated that the Company would consider to provide it in the future.*