

**PESTECH INTERNATIONAL BERHAD**  
**(“PESTECH” or “Company”)**  
[Registration No. 201101019901 (948035-U)]  
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED FULLY VIRTUAL VIA REMOTE PARTICIPATION AND VOTING AT THE BROADCAST VENUE AT B2-3-01, BLOCK B2, MERITUS @ OASIS CORPORATE PARK, NO. 2, JALAN PJU 1A/2, ARA DAMANSARA, 47301 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 26 NOVEMBER 2020 AT 10:00 A.M.

---

**1. LETTER FROM THE MINORITY SHAREHOLDER WATCH GROUP**

The Company received a letter dated 16 November 2020 from the Minority Shareholder Watch Group (“MSWG”) raising some questions pertaining to PESTECH Group’s strategy, financial and corporate governance matters. The questions and answers were provided thereto as shown on the slides presented during the Meeting.

A copy of the reply letter to MSWG is attached herewith marked as Appendix A.

**2. QUESTION AND ANSWER SESSION**

The key questions raised during the question and answer session, were duly responded by the Managing Director cum Group Chief Executive Officer, Mr. Paul Lim Pay Chuan as follows:-

- (a) Based on the latest three (3) completed concession projects, when did the Company started to receive recurring income and the commencement of the loan repayments.**

The Company had completed three (3) concession projects and started to receive payments since January 2020. The monthly collections from the projects would be utilised for loan repayment while the balance would be retained as cash flows. The Group derived monthly revenue of US\$2.3 to US\$2.4 million from two (2) build-transfer and one (1) concession projects in Cambodia.

- (b) How does the business of electric vehicle (EV) charging able to drive the Company’s top line and bottom line revenue in future? When it can be materialised?**

Together with TNB X, PESTECH has developed EV charging platform and installed some EV chargers at various locations in the Klang Valley. The EV infrastructure business is expected to grow the top and bottom line if the Company could expand more EV charging stations at various locations.

- (c) From the Statement of Cash Flows (page 105 of Annual Report), it showed that the Net Cash from Operating Activities and Capex for both financial years 2019 and 2020, had been consistently in negative and mostly financed by borrowing. The borrowing increased to RM1.2 billion in financial year 2020**

PESTECH INTERNATIONAL BERHAD  
("PESTECH" or the Company")  
[Registration No. 201101019901 (948035-U)]  
(Incorporated in Malaysia)

(Summary of the Key Matters Discussed at the Ninth Annual General Meeting held on 26 November 2020 - cont'd)

**with gearing ratio of 1.98X. In view thereof, will the gearing ratio increase further in FY2021?**

As presented earlier during the corporate presentation by Mr. Paul Lim, he had clarified the gearing ratio of 1.98X. The Company's optimum gearing ratio was below 2.5X. PESTECH's earnings were expected to be resilient for the foreseeable future as it was backed by a sizeable outstanding order book.

With US dollar income from the completion of the three (3) concession projects, the Management envisaged the gearing ratio to reduce significantly.

**(d) Based on cashflow projection for financial year 2021, will there be any improvements in financial year 2021?**

The gearing ratio was expected to reduce in financial year 2021. Despite the far-reaching implications of the current coronavirus disease ("Covid-19") pandemic, the Management had taken proactive steps in term of execution of projects and order book, and continued to invest in capital expenditures to grow the business and ready to adapt to the new normal.

**(e) The trend towards increasing usage of EV will increase demand for EV charging modules as stated on page 32 of the Annual Report. Can the Board/Management provide more details on the opportunities for PESTECH to penetrate the market for the EV charging needs in the future?**

Electrical vehicle usage will reduce carbon emission, thus would contribute to sustainable environment. The growing demand for electric vehicles is directly spurring the direct current fast-charging infrastructure industry.

PESTECH had ventured into promoting green initiatives by implementation of EV charging solution and installation of EV chargers in office premises and various identified locations. The Management would continue their effort to gradually increase the number of EV charging points, especially in Klang Valley, in order to provide the public the facilities to travel greater distances on clean electric power, leveraging on the PESTECH's network of charging stations nationwide to help keep battery levels full.

**(f) Please provide updates on the court cases and arbitration with Transgrid Ventures Sdn Bhd and Lion Pacific Sdn Bhd on pages 163 to 164 of the Annual Report. What are the chances of PESTECH Group succeeding in a favourable outcome for these 2 cases?**

PESTECH INTERNATIONAL BERHAD  
("PESTECH" or the Company")  
[Registration No. 201101019901 (948035-U)]  
(Incorporated in Malaysia)

(Summary of the Key Matters Discussed at the Ninth Annual General Meeting held on 26 November 2020 - cont'd)

The court cases and arbitration were in the final stages. Based on the legal advice, the Management was confident of being awarded favourable judgement by the court.

- (g) The Government's continued focus on more renewable energy ("RE") generation. How will PESTECH position itself to be a major player in supplying and providing the required RE implementation in the next few years? What are the future RE projects that PESTECH will focus in the future in Malaysia and in ASEAN?**

The year 2020 was expected to see the notable developments in the energy section, especially in renewable energy. Nevertheless, the power infrastructure build-up in Malaysia was mainly driven by economic growth. If the economy was slowing down, investments in infrastructure were expected to slow down too.

It was crucial for the country to become less dependent on fossil fuel due to economic, security and sustainability reasons. The Group had submitted bid for projects under the third cycle of large-scale solar (LSS3) schemes announced by the Government. LSS3 was a catalyst for solar players and PESTECH will be focusing on its long-term participation in the industry, not just in Malaysia but in the region as well.

Cognisant of the slowdown in the new investments from domestic power infrastructure sector, the Group has been looking at opportunities in the region, mainly in the ASEAN region.

- (h) Is there any new project for the coming year?**

The new order book procurement was targeted at about RM1 billion in the financial year 2021.

- (i) Will the recurring income for the Company to be sustainable for future growth?**

The concession income has been generating recurring positive cash flow in past financial years. The Group expected to derive cash flow of approximately RM1.08 billion from the existing and new projects. The income generated would be utilised towards settlement of bank borrowings in the next seven (7) years averagely RM498 million in a year, as well as for future growth purpose.

- (j) We have not heard much about projects awarded in year 2020. How is the bidding for projects and order book replenishment in year 2020?**

PESTECH INTERNATIONAL BERHAD  
("PESTECH" or the Company")  
[Registration No. 201101019901 (948035-U)]  
(Incorporated in Malaysia)

(Summary of the Key Matters Discussed at the Ninth Annual General Meeting held on 26 November 2020 - cont'd)

The Group was still activity bidding for power generation and rail electrification, embedded system software and product development projects in Malaysia and in ASEAN region.

The Group will make the necessary announcement on any acceptance of award of material contract in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

- (k) We are also concerned on the growth on the segment of PESTECH Energy Sdn Bhd ("PESTECH Energy"), as many new RE players enter Malaysia market these 2 years and how does PESTECH position itself against other RE players?**

PESTECH Energy played an important role in microgrid and focused on rural electrification, ensuring those in remote areas with no connectivity to the national grid were still able to enjoy the basic amenities such as lighting and internet. In spite of major advances in energy distribution there were still numerous rural areas within Malaysia requiring electrical connectivity.

PESTECH Energy embarked on a different approach in its RE initiative by providing solution of microgrid in term of different offering compared to normal roof top solar panel investment on landed properties.

- (l) Please elaborate the current and future potential of the rail power system package in Thailand, as reported on page 14 of the Annual Report.**

The Company had completed the rail power system package in Thailand. Currently, the Company had submitted a new tender for the coming rail infrastructure project in Thailand.

- (m) Targeted revenue in the next 3 to 5 years and what are the areas to see this growth come from?**

Barring unforeseen circumstances and based on internal targets, the Group strived to achieve growth in revenue up to RM1 billion in the next 3 to 5 years. The Group currently has some existing projects in the Philippines and will continue to tender for new projects in Myanmar and Cambodia.

All the resolutions tabled at the Ninth Annual General Meeting of the Company were duly passed by way of poll, the results of which had been announced to Bursa Malaysia Securities Berhad on 26 November 2020.