

PEGASUS HEIGHTS BERHAD
[Registration No. 197401002677 (19727-P)]

MINUTES OF THE FORTY SIXTH ANNUAL GENERAL MEETING OF PEGASUS HEIGHTS BERHAD HELD FULLY VIRTUAL VIA ONLINE MEETING PLATFORM AT [HTTPS://MEETING.BOARDROOMLIMITED.MY](https://meeting.boardroomlimited.my) (DOMAIN REGISTRATION NO. WITH MYNIC - D6A357657) ON FRIDAY, 24 SEPTEMBER 2021 AT 3.00 P.M.

Present : Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar (Chairman)
Dato' Sri Lee See Yang
Mr Toh Hong Chye
Mr Chin Pak Loong
Mr Andrew Ho Tho Kong
Ms Low Yen Hoon

In Attendance : Ms Florence Toh – *Representing Company Secretary*

Shareholders and Proxies participate via Remote Participation and Voting facility : As per attendance list

By Invitation : As per attendance list

1. CHAIRMAN

- 1.1 The Chairman, Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar welcomed all shareholders and guests to the Forty Sixth Annual General Meeting (“46th AGM”) of the Company.
- 1.2 The Chairman thereafter informed the meeting that the members of the Board of Directors, the Company Secretary and management team were attending the meeting virtually.

2. QUORUM

- 2.1 The Chairman informed that based on the report issued by the Poll Administrator of the Company, a total of 142 members, comprising shareholders, proxies and corporate representatives, for a total of 713,508,806 ordinary shares representing 6.63% of the total issued shares of the Company have registered via the remote participation and voting (“RPV”) facilities for participation at the 46th AGM.
- 2.2 The Company had received in total 20 proxy forms from shareholders for a total of 3,705,116,559 shares representing 34.41% of the total issued shares of the Company. Out of those, there were 5 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 3,200,971,859, representing 29.73% of the total issued shares of the Company.

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- 2.3 The Chairman added that a quorum was present pursuant to Clause 77 of the Constitution of the Company and declared the 46th AGM duly convened.

3. NOTICE OF MEETING

- 3.1 With the consent of the shareholders and proxies present, the Notice convening the meeting having been circulated within the prescribed period was taken as read.

4. POLLING

- 4.1 In line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the 46th AGM would be conducted by poll.
- 4.2 The Chairman informed that the Company had appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll voting process and Quantegic Services Sdn. Bhd. as Scrutineer to verify the poll results.
- 4.3 The Chairman encouraged all shareholders and proxies present to participate in the meeting and further informed that the shareholders and proxies would cast their votes after the resolutions set out in the Notice of the 46th AGM had been tabled and attended to the question and answer session.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON

- 5.1 The Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Directors' and the Auditors' Reports thereon which had been previously circulated to all shareholders were laid at the Meeting for discussion.
- 5.2 The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2020 were meant for discussion only as the provision of Section 340 of the Companies Act 2016 ("CA 2016") does not require a formal approval from shareholders of the Company.

**6. ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – DATO' SRI LEE SEE YANG**

- 6.1 The Chairman informed that in accordance with Clause 105 of the Constitution of the Company, Dato' Sri Lee See Yang retired from the Board and being eligible, offered himself for re-election.

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7. ORDINARY RESOLUTION 2

RE-ELECTION OF DIRECTOR – MR ANDREW HO THO KONG

- 7.1 The Chairman informed that Ordinary Resolution 2 is on the re-election of Mr Andrew Ho Tho Kong as Director retiring pursuant to Clause 105 of the Constitution of the Company and being eligible, has offered himself for re-election.

8. ORDINARY RESOLUTION 3

TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES UP TO AN AGGREGATE AMOUNT OF RM350,000.00 PER ANNUM UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

- 8.1 The Chairman informed that the third resolution on the agenda is to approve the payment of the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of Ringgit Malaysia Three Hundred and Fifty Thousand (RM350,000.00) per annum until the next Annual General Meeting of the Company.

9. ORDINARY RESOLUTION 4

APPOINTMENT OF MESSRS TGS TW PLT AS AUDITORS OF THE COMPANY IN PLACE OF THE RETIRING AUDITORS, MESSRS UHY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

- 9.1 The Chairman informed that Ordinary Resolution 4 is to approve the appointment of Messrs TGS TW PLT as Auditors of the Company in place of the retiring Auditors, Messrs UHY and to authorise the Directors to fix their remuneration.

10. ORDINARY RESOLUTION 5

AUTHORITY UNDER SECTION 76 OF CA 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS

- 10.1 The Chairman informed that the Special Business to be transacted at the 46th AGM, was to consider and if thought fit, pass an ordinary resolution to renew the general mandate from shareholders to authorise the Directors to issue an aggregate number of shares not exceeding twenty per cent (20%) of the issue share capital of the Company pursuant to Section 76 of CA 2016.

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- 11.1 The Chairman informed that there was no other business to be transacted of which due notice had been given in accordance with the Constitution of the Company and CA 2016.

12. QUESTION AND ANSWER SESSION

- 12.1 After tabling the resolutions set out in the Notice of 46th AGM, the Chairman presented the Company's response to questions submitted by the Minority Shareholders Watch Group ("MSWG") prior to the 46th AGM, details of which were set out in Appendix A attached.
- 12.2 The Chairman then invited Mr Andrew Ho Tho Kong to address the questions raised by shareholders via the RPV facilities, details of which were set out in Appendix B attached.
- 12.3 After having addressed all the questions raised, the Chairman informed the meeting to proceed with voting.
- 12.4 The Chairman further conveyed that in his capacity as Chairman of the meeting, he has been appointed as proxy by some shareholders and will be voting in accordance with their instructions.
- 12.5 The Chairman declared the polling closed at 3.25 p.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 3.38 p.m. for the declaration of the results of the poll.

13. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 1 RE-ELECTION OF DIRECTOR – DATO' SRI LEE SEE YANG

- 13.1 The Ordinary Resolution 1 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
3,359,611,496	99.9869	440,505	0.0131

- 13.2 Based on the above result, the Chairman declared that the Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:
- 13.3 That Dato' Sri Lee See Yang who retired pursuant to Clause 105 of the Constitution of the Company is hereby re-elected as a Director of the Company.

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RE-ELECTION OF DIRECTOR – MR ANDREW HO THO KONG**

14.1 The Ordinary Resolution 2 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
3,860,621,028	99.9832	649,505	0.0168

14.2 Based on the above result, the Chairman declared that the Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:

14.3 That Mr Andrew Ho Tho Kong who retired pursuant to Clause 105 of the Constitution of the Company is hereby re-elected as a Director of the Company.

**15. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 3
TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS
PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY
AND ITS SUBSIDIARIES UP TO AN AGGREGATE AMOUNT OF
RM350,000.00 PER ANNUM UNTIL THE NEXT ANNUAL GENERAL
MEETING OF THE COMPANY**

15.1 The Ordinary Resolution 3 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
3,808,111,526	99.0478	36,609,007	0.9522

15.2 Based on the above result, the Chairman declared that the Ordinary Resolution 3 was carried. Accordingly, it was RESOLVED:

15.3 That the payment of the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of Ringgit Malaysia Three Hundred and Fifty Thousand (RM350,000.00) per annum until the next Annual General Meeting of the Company is hereby approved for payment.

**16. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 4
APPOINTMENT OF MESSRS TGS TW PLT AS AUDITORS OF THE
COMPANY IN PLACE OF THE RETIRING AUDITORS, MESSRS UHY AND
TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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- 16.1 The Ordinary Resolution 4 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
3,860,730,128	99.9860	540,305	0.0140

- 16.2 Based on the above result, the Chairman declared that the Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:
- 16.3 That the appointment of Messrs TGS TW PLT as Auditors of the Company in place of the retiring Auditors, Messrs UHY are hereby appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors are hereby authorised to fix their remuneration.

17. ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 5 AUTHORITY UNDER SECTION 76 OF CA 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS

- 17.1 The Ordinary Resolution 5 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
3,827,119,226	99.1155	34,151,207	0.8845

- 17.2 Based on the above result, the Chairman declared that the Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:
- 17.3 THAT subject always to CA 2016, the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approvals of the relevant government / regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 76 of CA 2016, to allot and issue shares in the capital of the Company at any time until the conclusion of the next Annual General Meeting of the Company to such persons and upon such terms and conditions for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that until 31 December 2021 as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers, the aggregate number of shares issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company for the time being and provided further that the aggregate number of shares issued thereafter pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the MMLR of Bursa Securities (hereinafter referred to as the “**General Mandate**”);

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AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation on Bursa Securities for the additional shares so issued pursuant to the General Mandate;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

18. CONCLUSION

- 18.1 There being no other business to be transacted, the meeting concluded at 3.40 p.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT

CHAIRMAN



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No.	Questions	Answers
1.	<p>The Trading Division revenue grew by RM40.3 million or 485.0% to RM48.6 million in FY2020 from RM8.3 million in FY2019.</p> <p>However, there was a higher loss of RM17,000 in FY2020 as compared to a loss of RM9,000 in FY2019. The trading segment is mainly involved in trading of home appliances.</p> <p>a) What was the reason for the higher loss despite the 485% growth in revenue in FY2020?</p> <p>b) What are the measures taken by the Group to turnaround the Trading Division?</p>	<p>a) The higher loss in FY2020 was due to higher operational cost. Trading volume increased during the MCO, CMCO and RMCO period, however this involved higher manpower cost due to the impact from the pandemic.</p> <p>b) The Group is striving to expand its customer base. However, due to the uncertainties caused by the COVID-19 pandemic, the Group's efforts have been limited. As such, the Group is relooking at how best to optimize the trading division.</p>
2.	<p>On 27 September 2019, the Company subscribed 250,000 ordinary shares in PHB Capital Sdn. Bhd. ("PHBCSB"), representing 100% of the issued and paid-up share capital, for a total cash consideration of RM250,000. On 3 December 2019, the Company acquired 1,750,000 new ordinary shares of PHBCSB for a total cash consideration of RM1,750,000. (page 100 of AR). PHBCSB is a 100% owned subsidiary of the Group and is disclosed as a dormant company. (page 99 of AR).</p> <p>a) What are the reasons for the Group injecting RM2 million in PHBCSB that is a dormant company?</p> <p>b) What is the Group's plan for PHBCSB?</p>	<p>a) The Group increased the paid-up capital and has applied for and obtained a money lending license as 19 August 2020 in PHBCSB.</p> <p>b) The Group foresees that there is an opportunity to venture into the money lending business. The current economic situation which has been exacerbated by the pandemic, may provide greater opportunities. However, the Group will only extend loans after stringent credit checks which are secured against 'credit worthy' collateral. As of end of FY2020, the Group has no money lending exposure.</p>

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No.	Questions	Answers
3.	<p>Included in the Trade Receivables is an amount Due from Related Parties amounting to RM0.599 million in FY2020 [2019 (nil)] (page 103 of AR).</p> <p>a) Please name the related parties and the amount owed by each party? b) What is the nature of the debts due from related parties? c) What are the terms granted to the related parties? d) Is there any potential for impairment of these receivables from the related parties? If yes, please name the related parties and the amounts respectively.</p>	<p>a) The amount due from related party is from Chin Pak Loong Architect (“CPLA”).</p> <p>b) The debts due were in relation to the business acquisition of CPLA.</p> <p>c) The terms granted to the CPLA is back-to-back with the terms given to their end customer – normally 30-90 days.</p> <p>d) The total sum outstanding has been fully settled and hence, no impairment is necessary.</p>
4.	<p>The Group had written down inventories of RM1.128 million in FY2020 [FY2019 (nil)].</p> <p>a) What was the reason for the inventories write-down? b) Are there any potential for the inventories to be written back in the future? If yes, what will be the amount?</p>	<p>a) The reason for the inventory write-down is related to face masks which were ordered very early during the pandemic in March last year. However, due to significant delays in shipping arising from port closures and lockdowns imposed globally, there was a sharp drop in the price when the shipment was received.</p> <p>b) The Group in taking a more prudent stance does not foresee any potential for the items to be written back in the future.</p>
5.	<p>In early November 2020, the Centrepoint mall was inundated by flood waters which submerged the basement carpark and knocked out the power room. This led to the closure of the mall for over 3 months for rectification and relocation works for the power room. {Page 4 of AR).</p> <p>a) What is the amount of claim payable by the insurance company? b) Is the insurance coverage adequate to cover the cost of rectification and</p>	<p>a) The claim payable by the insurance company is up to a limit of RM2 million for rectification costs. In addition, we claimed approximately RM1million for the loss of rental during the closure period.</p> <p>b) The insurance payout covered approximately 80% of the rectification work. However, this did not include the cost of relocating the power room to prevent any future occurrence from a similar event. Going forward, the Group is looking into increasing the insurance</p>

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No.	Questions	Answers
	relocation works for the power room? c) Has the insurance claim been paid by the insurance company	coverage to indemnify against force majeure and acts of God. c) RM2 million was paid on 6 th May 2021 and RM971,487.24 was received on 25 June 2021 for the loss or rental income.

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No.	Questions	Answers
1.	Corporate governance is part of the ESG best practice. How does the Board intend to improve engagement with shareholders.	The Company has allocated sufficient time during the Q&A sessions for the shareholders at the Annual General Meeting and Extraordinary General Meeting of the Company.
2.	What is the Board's confidence level that the Company will be back on the right track.	We are still focusing on our core business which is the mall operation and Project Management Consultancy (PMC) business. However, at this juncture due to the Covid-19 pandemic, the Company can only strive to do our best in this unprecedented situation.
3.	Door gifts and vouchers	We have received numerous questions regarding door gifts. However, the Company had previously announced that there will be no refreshment and door gifts to be distributed in the Administration Guide. The Company will focus on improving the results to reward our shareholders.
4.	Even the good old days, Company also badly perform. The main issue is lack of business activity and high concentration risk relied on mall business. Would like to know whether the Company intends to rope in renowned tycoon and new type of business venture. As minor shareholders like us suffered huge loss on investment.	Previously we have ventured into Food & Beverage business which unfortunately had also been affected by the pandemic. Given the very uncertain situation arising from the pandemic, we are adopting a wait-and-see approach before deciding on our next course of action.