

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

MINUTES OF THE FORTY SEVENTH ANNUAL GENERAL MEETING OF PEGASUS HEIGHTS BERHAD HELD VIRTUALLY FROM THE BROADCAST VENUE AT 1-40-2, MENARA BANGKOK BANK, BERJAYA CENTRAL PARK, NO. 105 JALAN AMPANG, 50450 KUALA LUMPUR, W.P. KUALA LUMPUR, MALAYSIA ON MONDAY, 30 MAY 2022 AT 11.00 A.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 : Mr Chin Wai Yi

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

By Invitation : As per attendance list

1.0 CHAIRMAN

1.1 The Chairman, Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar welcomed all shareholders and guests to the Forty Seventh Annual General Meeting ("47th 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.

2.0 QUORUM

2.1 The Chairman informed that based on the report issued by the Poll Administrator of the Company, a total of 52 members, comprising shareholders, proxies and corporate representatives, for a total of 3,624,322,361 ordinary shares representing 33.62% of the total issued shares of the Company have registered via the remote participation and voting ("RPV") facilities for participation at the 47th AGM.

2.2 The Company had received in total 8 proxy forms from shareholders for a total of 2,415,743,986 shares representing 22.41% of the total issued shares of the Company. Out of those, there were 4 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 2,415,558,984, representing 22.41% 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 47th AGM duly convened.

3.0 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.

4.0 POLLING

- 4.1 In line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the 47th AGM would be conducted by poll.

- 4.2 The Chairman informed that the Company had appointed Digerati Technologies 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 47th AGM had been tabled and attended to the question and answer session.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 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 2021 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 2021 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.

**6.0 ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – TOH HONG CHYE**

- 6.1 The Chairman informed that in accordance with Clause 105 of the Constitution of the Company, Toh Hong Chye retired from the Board and being eligible, offered himself for re-election.

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**7.0 ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – LOW YEN HOON**

7.1 The Chairman informed that Ordinary Resolution 2 is on the re-election of Low Yen Hoon as Director retiring pursuant to Clause 105 of the Constitution of the Company and being eligible, has offered herself for re-election.

**8.0 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.

**9.0 ORDINARY RESOLUTION 4
RE-APPOINTMENT OF MESSRS TGS TW PLT AS AUDITORS OF THE
COMPANY**

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

**10.0 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 47th 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.

**11.0 ORDINARY RESOLUTION 6
PROPOSED GRANT OF SHARE ISSUANCE SCHEME OPTIONS TO YONG
MAI FANG**

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- 11.1 The Chairman informed that the next Special Business to be transacted at the 47th AGM, was to consider and if thought fit, pass an ordinary resolution to grant share issuance scheme options to Yong Mai Fang, who is a person connected to Toh Hong Chye, the Executive Director of the Company.

**12.0 ORDINARY RESOLUTION 7
RATIFICATION ON THE ALLOCATION OF OPTIONS AND ALLOTMENT
OF SHARES PURSUANT TO THE SHARE ISSUANCE SCHEME OF
170,000,000 ORDINARY SHARES TO TOH GUAT KHEM AND PROPOSED
ALLOCATION OF SHARE ISSUANCE SCHEME OPTIONS TO TOH GUAT
KHEM**

- 12.1 The Chairman informed that the next Special Business to be transacted at the 47th AGM, was to consider and if thought fit, pass an ordinary resolution to obtain shareholders' approval for the Directors to ratify the allocation of options and allotment of shares pursuant to the share issuance scheme of 170,000,000 ordinary shares to Toh Guat Khem and proposed allocation of share issuance scheme options to Toh Guat Khem.

13.0 ANY OTHER BUSINESS

- 13.1 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.

14.0 QUESTION AND ANSWER SESSION

- 14.1 After tabling the resolutions set out in the Notice of 47th AGM, the Chairman invited Tiew Chee Ming, the Group Accountant to present the Company's responses to the questions submitted by the shareholders prior to the 47th AGM, details of which were set out in Appendix A attached.
- 14.2 Tiew Chee Ming then proceeded to present the Company's responses to the questions in relation to the operation and financial submitted by the Minority Shareholders Watch Group ("MSWG") prior to the 47th AGM, details of which were set out in Appendix B attached.
- 14.3 The Chairman then invited Chin Wai Yi, the Company Secretary to present the Company's responses to the questions in relation to Corporate Governance matters submitted by the MSWG prior to the 47th AGM, details of which were set out in Appendix B attached.

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- 14.4 After having addressed all the questions raised prior to the 47th AGM, the Chairman proceeded to address further questions from shareholders and proxies via typed text or live response, to which there was none.
- 14.5 After having addressed all the questions raised, the Chairman informed the Meeting to proceed with voting. Shareholder and proxies were given another five (5) minutes to vote if they have not done so earlier.
- 14.6 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.
- 14.7 The Chairman declared the polling closed at 11.33 a.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 11.44 a.m. for the declaration of the results of the poll.

**15.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – TOH HONG CHYE**

- 15.1 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 | % |
| 3,622,941,261 | 99.9994 | 22,100 | 0.0006 |

- 15.2 Based on the above result, the Chairman declared that the Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:
- 15.3 That Toh Hong Chye who retired pursuant to Clause 105 of the Constitution of the Company is hereby re-elected as a Director of the Company.

**16.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – LOW YEN HOON**

- 16.1 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 | % |
| 3,622,941,261 | 99.9994 | 22,100 | 0.0006 |

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

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- 16.3 That Low Yen Hoon who retired pursuant to Clause 105 of the Constitution of the Company is hereby re-elected as a Director of the Company.

17.0 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

- 17.1 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 | % |
| 3,622,931,061 | 99.9991 | 32,300 | 0.0009 |

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

- 17.3 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.

18.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 4 RE-APPOINTMENT OF MESSRS TGS TW PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

- 18.1 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 | % |
| 3,622,825,261 | 99.9962 | 138,100 | 0.0038 |

- 18.2 Based on the above result, the Chairman declared that the Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:

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- 18.3 That the re-appointment of Messrs TGS TW PLT as Auditors of the Company are hereby re-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.

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

- 19.1 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 | % |
| 3,622,941,061 | 99.9994 | 22,300 | 0.0006 |

- 19.2 Based on the above result, the Chairman declared that the Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:

- 19.3 THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

**20.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 6
PROPOSED GRANT OF SHARE ISSUANCE SCHEME OPTIONS TO YONG
MAI FANG**

- 20.1 The Ordinary Resolution 6 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 | % |
| 2,400,205,177 | 99.9991 | 22,400 | 0.0009 |

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20.2 Based on the above result, the Chairman declared that the Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:

20.3 That the proposed grant of share issuance scheme options to Yong Mai Fang, who is a person connected to Toh Hong Chye, the Executive Director of the Company is hereby approved.

**21.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 7
RATIFICATION ON THE ALLOCATION OF OPTIONS AND
ALLOTMENT OF SHARES PURSUANT TO THE SHARE ISSUANCE
SCHEME OF 170,000,000 ORDINARY SHARES TO TOH GUAT KHEM
AND PROPOSED ALLOCATION OF SHARE ISSUANCE SCHEME
OPTIONS TO TOH GUAT KHEM**

21.1 The Ordinary Resolution 7 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 | % |
| 2,400,205,177 | 99.9991 | 22,400 | 0.0009 |

21.2 Based on the above result, the Chairman declared that the Ordinary Resolution 7 was carried. Accordingly, it was RESOLVED:

21.3 That the ratification of the allocation options and allotments of shares pursuant to the SIS of 170,000,000 ordinary shares to Toh Guat Khem and proposed allocation of SIS Options to Toh Guat Khem of the Company is hereby approved.

22.0 CLOSURE OF MEETING

22.1 There being no other business, the Chairman, on behalf of the Board thanked all present for their attendance at the Meeting and declared the 47th AGM duly closed at 11.44 a.m.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT



CHAIRMAN

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| No. | Questions | Answers |
|-----|---|--|
| 1. | How does the board intend to improve the Company's performance? Do hope that the Board will consider expanding its business beyond mall operations. | <p>The management took over the mall in 2018 and since then, the Mall's occupancy rate has significantly increased from 15.1% to 79.3%.</p> <p>The Group has always been on the lookout for potential business opportunities and it is evident from the diversification into the F&B business in 2020. In addition, the acquisition of the business of ChinPakLoong Architect from Chin Pak Loong was completed in 2020 to revive the PMC segment. However, both were impacted during the pandemic period.</p> |
| 2. | What is the Company's achievement for the past one year? | The management had managed to increase the occupancy rate of the mall during the pandemic period. |
| 3. | What steps were taken to improve business operation for the past one year and how is the outcome? | By searching for the appropriate tenant mix, we managed to increase the mall's occupancy rate in year 2021. We had also implemented cost cutting measure throughout the Group to make sure resources would be utilised efficiently. |
| 4. | Door gifts and e-vouchers | As stated on the Administrative Guide circulated, no e-cash voucher will be provided. |

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Appendix B

| No. | Questions | Answers | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|--|---|--------------------------|--------------------------|-------------------------|------------------|--------|-------|-----------|---------------------------|-------|-----------------|--------|-----------------------|---------------------------------|---------|--------|--------------|--------|--------|--------------|---------------|---------------|
| 1) | <p>Operational and financial matter</p> <p>The flash floods in the last quarter of 2020 which resulted in the closure of the mall for rectification work until the end of February 2021. (Page 4 of AR)</p> <p>(a) Was the flood covered by the Company's insurance policy?</p> <p>(b) What is the value of the rectification work?</p> <p>(c) What is the amount of rectification work claimable from the insurance company.</p> | <p>(a) Yes, it was covered by the insurance.</p> <p>(b) The cost of the rectification work was approximately RM2.1 million.</p> <p>(c) The total amount claimed from the insurance company was RM2.97 million, of which RM2 million was for the rectification work and the remaining amount was for loss of rental income during the period.</p> | | | | | | | | | | | | | | | | | | | | | |
| 2) | <p>The Group recorded a higher other income of RM5.3 million in FY 2021 as compared to RM 0.8 million in FY 2020, an increase of RM4.5 million or 563%. (Page 62 of AR)</p> <p>(a) Why did the other income increase in FY 2021?</p> <p>(b) Please provide a breakdown of the other income for both FYs 2021 and 2020.</p> | <p>(a) The increase in other income was mainly due to the one-off insurance claim and profit guarantee.</p> <p>(b)</p> <table border="1" data-bbox="916 1010 1430 1451"> <thead> <tr> <th></th> <th>FY 2021 (million)</th> <th>FY 2020 (million)</th> </tr> </thead> <tbody> <tr> <td>Profit guarantee</td> <td>RM1.92</td> <td>-</td> </tr> <tr> <td>Insurance</td> <td>RM2.97</td> <td>-</td> </tr> <tr> <td>Interest income</td> <td>RM0.29</td> <td>RM0.48</td> </tr> <tr> <td>Government reimbursement salary</td> <td>RM0.06</td> <td>RM0.13</td> </tr> <tr> <td>Other income</td> <td>RM0.05</td> <td>RM0.16</td> </tr> <tr> <td>TOTAL</td> <td>RM5.29</td> <td>RM0.77</td> </tr> </tbody> </table> | | FY 2021 (million) | FY 2020 (million) | Profit guarantee | RM1.92 | - | Insurance | RM2.97 | - | Interest income | RM0.29 | RM0.48 | Government reimbursement salary | RM0.06 | RM0.13 | Other income | RM0.05 | RM0.16 | TOTAL | RM5.29 | RM0.77 |
| | FY 2021 (million) | FY 2020 (million) | | | | | | | | | | | | | | | | | | | | | |
| Profit guarantee | RM1.92 | - | | | | | | | | | | | | | | | | | | | | | |
| Insurance | RM2.97 | - | | | | | | | | | | | | | | | | | | | | | |
| Interest income | RM0.29 | RM0.48 | | | | | | | | | | | | | | | | | | | | | |
| Government reimbursement salary | RM0.06 | RM0.13 | | | | | | | | | | | | | | | | | | | | | |
| Other income | RM0.05 | RM0.16 | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | RM5.29 | RM0.77 | | | | | | | | | | | | | | | | | | | | | |
| 3) | <p>The rental income and direct operating expenses of the investment properties for FYs 2021 and 2020 are tabulated below.</p> <table border="1" data-bbox="276 1592 842 2024"> <thead> <tr> <th></th> <th>FY 2021 RM '000</th> <th>FY 2020 RM '000</th> <th>Increase/ (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Rental Income</td> <td>5,638</td> <td>4,939</td> <td>699</td> </tr> <tr> <td>Direct Operating expenses</td> <td>5,984</td> <td>5,994</td> <td>(10)</td> </tr> <tr> <td>Net Income/ (loss)</td> <td>(346)</td> <td>(1,055)</td> <td>709</td> </tr> </tbody> </table> | | FY 2021 RM '000 | FY 2020 RM '000 | Increase/ (Decrease) | Rental Income | 5,638 | 4,939 | 699 | Direct Operating expenses | 5,984 | 5,994 | (10) | Net Income/ (loss) | (346) | (1,055) | 709 | | | | | | |
| | FY 2021 RM '000 | FY 2020 RM '000 | Increase/ (Decrease) | | | | | | | | | | | | | | | | | | | | |
| Rental Income | 5,638 | 4,939 | 699 | | | | | | | | | | | | | | | | | | | | |
| Direct Operating expenses | 5,984 | 5,994 | (10) | | | | | | | | | | | | | | | | | | | | |
| Net Income/ (loss) | (346) | (1,055) | 709 | | | | | | | | | | | | | | | | | | | | |

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| 3) | <p>(a) Why does the investment properties still record losses as the rental income has increased by RM0.699 million in FY 2021 as compared to FY 2020?</p> <p>(b) What are the measures taken by the Company to reduce the direct operating expenses further so that the investment properties will record gains?</p> | <p>(a) The mall has fixed operating expenses, hence we will only be able to breakeven when our rental income goes beyond our direct operating expenses.</p> <p>(b) Utilities are the major direct operating expenses incurred, representing approximately 40% of the total direct operating expenses. The management has been making efforts to optimising energy consumption. For example, we have installed sensors to ensure the air conditioners operate at an optimal level according to the crowd in the mall.</p> |
| 4) | <p>The occupancy rate of the CenterPoint Seremban Mall has increased by 1.1% i.e., from 78.2 % in FY 2020 to 79.3 % in FY 2021. (Page 7 of AR)</p> <p>(a) Why does the Mall still record a loss despite an occupancy rate of 79.3%?</p> <p>(b) At what occupancy rate will the Mall be profitable?</p> <p>(c) What are the measures taken by the Company to turnaround the Mall?</p> <p>(d) What is the expected occupancy rate of the CenterPoint Seremban Mall in FY 2022?</p> | <p>(a) Kindly refer to the answer 3(a) above. In addition, a number of long term tenancy agreements signed by the previous management have lower rental rates which has brought down the Mall's average rental rate.</p> <p>(b) We estimate that the mall will be profitable when occupancy rate reaches approximately 90% at the current average rental rate. However, this will be subjected to the achievable rental rates as the tenant mix is refreshed.</p> <p>(c) The Company's main focus is to increase the occupancy rate of the Mall and improve traffic flow to the Mall. The Mall's rental income consists of a fixed monthly rental and sharing of gross turnover ("GTO") from the tenants. Therefore, improving traffic flow, which will increase the tenants' GTO, which will directly contribute to higher rental income. Besides, the management has also utilised the common areas available by renting the space out to kiosk operators and to hold short term events. By doing so, we can expand our lettable area and, thus, increase our rental income.</p> <p>(d) We are targeting the occupancy rate of the mall to achieve approximately 85% to 90% in the financial year 2022.</p> |

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| 5) | <p>The Group recorded an impairment of goodwill of RM16 million. This is in relation to the acquisition of the architecture business from Chin Pak Loong (“CPL”) that was completed on 21 January 2020.</p> <p>(a) Why was the goodwill fully impaired within a year? Did the Company overpay for the acquisition of the architecture business from CPL?</p> <p>(b) Is there a likelihood that the impaired goodwill can be reversed in the future?</p> | <p>(a) The acquisition took place in 2019 and was completed at the beginning of 2020. The pandemic had severely impacted the business and related industry. Therefore, the management decided to take a more prudent stance and decided that the RM16 million goodwill should be impaired. This was agreed with the auditor.</p> <p>(b) Impaired goodwill is irreversible according to the MFRS accounting standard.</p> |
| 6) | <p><u>Corporate Governance Matters</u></p> <p>Mr. Tiew Chee Ming, the group accountant of the Company is also an Independent Non-Executive Director, (“INED”) of AppAsia Berhad. (Page 22 of AR))</p> <p>Mr. Tiew was appointed as an INED of AppAsia Berhad on 1 March 2018. He is the Chairman of the Audit Committee and member of the Remuneration and Nomination Committees of the company.</p> <p>He will be receiving RM29,500 for his role as an INED with RM18,000 as fees and RM11,500 as allowances. (AppAsia Berhad 2021 AR)</p> <p>(a) As Mr. Tiew is a full-time employee of the Company, he is expected to devote his time as a group accountant. The taking up of the additional role as an INED of AppAsia Berhad will impose time constraints on him.</p> <p>(b) Will the RM29,500 remuneration for his services be paid to him or the Company?</p> | <p>(a) Throughout his employment with the Group, Mr Tiew has been able to fulfil his duties diligently. His appointment as an Independent Director of AppAsia Berhad has not affect his ability to discharge his duties to the Group and he had assured the Board that he is able to fulfil his duties as the Group Accountant prior to his appointment in AppAsia Berhad.</p> <p>(b) Mr. Tiew is acting on his own personnel capacity and is not a representative of the Company in AppAsia Berhad. Hence, the remuneration is paid directly to him.</p> |

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| 7) | <p>The Board is seeking shareholders' approval to grant shares under the Share Issuance Scheme, ('SIS") to Yong Mai Fang, who is a person connected to Toh Hong Chye, the Executive Director of the Company.</p> <p>Para 6.37 (2), Chapter 6 of the Main Market Listing Requirements, ("MMLR"), states. "The listed issuer must ensure that participation in the scheme is restricted to directors and employees of the listed issuer's group."</p> <p>(a) Is Yong Mai Fang an employee of the Group and what is her relationship to Toh Hong Chye?</p> <p>(b) What is the number of shares to be granted to her?</p> | <p>(a) She is the wife of Mr Toh Hong Chye and an employee of the Group.</p> <p>(b) The number of shares to be granted will be determined later based on her performance and contribution to the Group.</p> |
| 8) | <p>The Board is seeking shareholders' approval to ratify the allocation of 170 million SIS shares granted to Ms. Toh Guat Khem, a director of Consistent Harvest Sdn Bhd., a wholly owned subsidiary of the Company.</p> <p>The Chairman of the SIS Committee please explains how the 170 million shares was granted to Ms. Toh Guat Khem without getting the approval from the shareholders first before granting.</p> | <p>The Company had implemented the SIS Scheme in year 2015, under the previous management, prior to the appointment of Ms Toh Guat Khem. She was only appointed in the middle of 2018.</p> <p>Additionally, the management had always treated Ms Toh Guat Khem as any other employee in the Group without any preferential treatment. Toh Guat Khem's contribution to the Group from the date of her employment commencement up to the allocation of the SIS Options are as follow:</p> <ul style="list-style-type: none"> • Increase the revenue generated from the Mall by approximately 415%. • Increase the occupancy rate of the Mall from 11% to 73% • Secured notable tenants for the Mall such as 7-Eleven, QSR Stores (Kfc & Pizza hut), Family Mart and McDonalds |

PEGASUS HEIGHTS BERHAD

[Registration No. 197401002677 (19727-P)]

- Minutes of the Forty Seventh Annual General Meeting held on 30 May 2022

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| 8) | | Her significant contribution to the Group in year 2019 had resulted in a recommendation by the management to the SIS Committee to grant SIS options to her. The SIS Committee considered the recommendation and thus agreed with the proposed allocation. As she has always been treated at an arm's length, the SIS committee inadvertently overlooked the requirement to obtain shareholders' approval. Hence, the Company is then now seeking shareholders' approval on the said ratification. |
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