

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF TECHNA-X BERHAD ("TXB" OR "THE COMPANY") HELD AT THE "HALL OF FAME" LOCATED AT THE MINES RESORT & GOLF CLUB, JALAN KELIKIR, MINES WELLNESS CITY, 43300 SERI KEMBANGAN, SELANGOR DARUL EHSAN ON TUESDAY, 30 MAY 2023 AT 10:09 A.M.

---

- DIRECTORS PRESENT** : Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar  
(Executive Chairman)  
Datuk Lim Chih Li @ Lin ZhiLi  
(Executive Director)  
Encik Ahmad Rizan Bin Ibrahim  
(Executive Director)  
Puan Aidawati Binti Dahari  
(Independent Non-Executive Director)  
Mr. Ng Chee Seng (Vince)  
(Alternate Director to Encik Ahmad Rizan Bin Ibrahim)
- ABSENT WITH APOLOGIES** : Mr. Fan Kah Seong  
(Independent Non-Executive Director)  
Mr. Balraj Singh Pannu A/L Gajjan Singh  
(Independent Non-Executive Director)
- IN ATTENDANCE** : Ms. Chua Siew Chuan  
(Company Secretary)
- INVITEES** : As per the Attendance List
- MEMBERS** : As per the Attendance List
- PROXY HOLDERS** : As per the Attendance List

**CHAIRMAN**

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar ("**Tunku Chairman**") was in the Chair. Tunku Chairman welcomed all present to the Company's Seventeenth Annual General Meeting ("**17<sup>th</sup> AGM**" or "**the Meeting**") and called the Meeting to order at 10:09 a.m.

Tunku Chairman then proceeded to introduce the Directors, the Company Secretary and the invitees who were in attendance to the floor.

The Meeting noted that Mr. Fan Kah Seong and Mr. Balraj Singh Pannu A/L Gajjan Singh, the Independent Non-Executive Directors of the Company, extended their apologies for not attending the Meeting.

**QUORUM**

The requisite quorum being present pursuant to Clause 96 of the Company's Constitution, Tunku Chairman declared the Meeting duly convened.

The Meeting noted that the Company was using the General Meeting Record of Depositors as of 23 May 2023 for the 17<sup>th</sup> AGM.

**TECHNA-X BERHAD**  
[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

**NOTICE OF MEETING**

The Notice convening the Meeting dated 28 April 2023, having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

**POLL VOTING AND VOTING PROCEDURES**

Tunku Chairman informed that the voting of the Meeting would be conducted by way of poll, in compliance with the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"). Pursuant to the above and Section 330 of the Companies Act 2016 ("**the Act**"), Tunku Chairman exercised his rights to direct the votes on all resolutions set out in the Notice of the 17<sup>th</sup> AGM to be conducted by way of poll to demonstrate shareholder democracy of one-share one-vote.

The Company Secretary briefed the Meeting on the proceedings of the Meeting. The voting process for all resolutions set out in the Notice of the 17<sup>th</sup> AGM would be carried out after the discussion of all Agenda items of the Meeting.

The Meeting was informed that Securities Services (Holdings) Sdn. Bhd. was the Poll Administrator to conduct the polling process, whereas Commercial Quest Sdn. Bhd. was the Independent Scrutineer to verify the poll results.

**LETTER RECEIVED FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")**

Tunku Chairman informed that the Company had received questions from the MSWG via its letter dated 24 May 2023, seeking clarification or information on several issues raised pertaining to the operational and financial matters of the Company and its subsidiaries ("**the Group**").

Mr. Quek Chin Thor, the Financial Controller, presented the questions received from MSWG as well as the Company's responses to MSWG and the Meeting noted the same as tabled. The questions from MSWG and corresponding replies from the Company to MSWG were annexed hereto as **Annexure "A"** respectively.

**1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022, TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON ("AFS 2022")**

Tunku Chairman informed that the first item on the Agenda was to receive the AFS 2022.

Tunku Chairman then informed that the AFS 2022 did not require formal approval from the shareholders in accordance with Section 340(1)(a) of the Act and therefore it was not put forward for voting.

Tunku Chairman then invited questions from the floor in respect of the AFS 2022.

Mr. Lee Chee Meng, the corporate representative of MSWG, enquired on the absence of Mr. Fan Kah Seong and Mr. Balraj Singh Pannu A/L Gajjan Singh at the 17<sup>th</sup> AGM. Tunku Chairman explained that the Directors were abroad due to their personal and work commitments. Tunku Chairman informed that necessary

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

measures will be taken to ensure all the Directors are present at the Annual General Meeting ("**AGM**") moving forward.

There being no further question from the floor, Tunku Chairman declared that the AFS 2022 be received.

**2.0 ORDINARY RESOLUTION 1**  
**APPROVAL OF THE PAYMENT OF DIRECTORS' FEES TO THE NON-EXECUTIVE DIRECTORS AMOUNTING TO RM90,000.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Tunku Chairman informed that the second item on the Agenda was to approve the payment of Directors' fees to the Non-Executive Directors amounting to RM90,000.00 for the financial year ended 31 December 2022.

Tunku Chairman then invited questions from the floor in respect of the Directors' fees.

Mr. Lee Chee Meng, the corporate representative of MSWG, enquired on the reason why Tunku Chairman and Datuk Lim Chih Li @ Lin ZhiLi ("**Datuk Jared Lim**") were not receiving remuneration for the financial year ended 31 December 2022. Datuk Jared Lim explained that they had been granted Employees' Share Option Scheme Options in substitution to their remuneration due to the financial performance of the Group.

Datuk Jared Lim shared with the shareholders that the Company was in midst of undertaking some corporate exercises with the intention to rationalise the Group's financial performance and reward the shareholders. The corporate exercises will be tabled to the shareholders for approval in due course.

Mr. Lee Chee Meng expressed his gratitude to Tunku Chairman and Datuk Jared Lim for not receiving remuneration.

There being no further question from the floor, Tunku Chairman proceeded with the next Agenda.

**3.0 ORDINARY RESOLUTION 2**  
**APPROVAL OF THE DIRECTORS' BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM30,000.00 FROM 30 MAY 2023 UNTIL THE NEXT AGM OF THE COMPANY TO BE HELD IN THE YEAR 2024**

Tunku Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits payable to the Non-Executive Directors of up to RM30,000.00 for the period from 30 May 2023 until the next AGM of the Company to be held in the year 2024.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

**4.0 ORDINARY RESOLUTIONS 3 AND 4  
RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO WERE DUE TO  
RETIRE PURSUANT TO CLAUSE 118 OF THE COMPANY'S CONSTITUTION  
AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-**

- (a) TUNKU CHAIRMAN; AND**  
**(b) DATUK JARED LIM**
- 

Tunku Chairman informed that the next item on the Agenda was to re-elect Datuk Jared Lim and himself, who were due to retire pursuant to Clause 118 of the Company's Constitution, and being eligible, had offered themselves for re-election. The Meeting noted that each re-election would be voted on individually.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

**5.0 ORDINARY RESOLUTIONS 5 AND 6  
RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO WERE DUE TO  
RETIRE PURSUANT TO CLAUSE 117 OF THE COMPANY'S CONSTITUTION  
AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-**

- (a) MR. FAN KAH SEONG; AND**  
**(b) PUAN AIDAWATI BINTI DAHARI**
- 

Tunku Chairman informed that the next item on the Agenda was to re-elect Mr. Fan Kah Seong and Puan Aidawati Binti Dahari, who were due to retire pursuant to Clause 117 of the Company's Constitution, and being eligible, had offered themselves for re-election. The Meeting noted that each re-election would be voted on individually.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

**6.0 ORDINARY RESOLUTION 7  
RE-APPOINTMENT OF MESSRS. HLB LER LUM CHEW PLT AS AUDITORS OF  
THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE  
COMPANY AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR  
REMUNERATION**

---

Tunku Chairman informed that the next item on the Agenda was to re-appoint Messrs. HLB Ler Lum Chew PLT as the Company's Auditors until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

The Meeting noted that Messrs. HLB Ler Lum Chew PLT had indicated their willingness to continue in office as Auditors of the Company.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

## **SPECIAL BUSINESS**

### **7.0 ORDINARY RESOLUTION 8 AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT**

Tunku Chairman informed the Meeting that the next item on the Agenda was a special business to approve Ordinary Resolution 8 in relation to the authority to issue shares pursuant to the Act.

Tunku Chairman further informed that the proposed adoption of the Ordinary Resolution 8 would waive the shareholders' pre-emptive right and provide flexibility and expediency to the Directors of the Company to undertake any possible fundraising activities, including but not limited to placement of shares to fund the Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions, business expansion and/or such other purposes as the Directors may deem fit, without having to convene a general meeting to approve such authority. The authority, unless revoked or varied by the Company in a general meeting, would expire at the conclusion of the next AGM of the Company.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

### **8.0 ORDINARY RESOLUTION 9 PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK")**

Tunku Chairman informed the Meeting that the next item on the Agenda was a special business to approve Ordinary Resolution 9 in relation to the Proposed Renewal of Share Buy-Back.

Tunku Chairman further informed the Meeting that the full details of the Proposed Renewal of Share Buy-Back were set out in the Share Buy-Back Statement to Shareholders dated 28 April 2023.

The Meeting noted that the proposed adoption of the Ordinary Resolution 9 would enable the Company to purchase its own shares of up to ten per centum (10%) of the Company's total issued shares at any time within the time period stipulated in the Main LR of Bursa Malaysia Securities. The authority, unless revoked or varied by the Company in a general meeting, would expire at the conclusion of the next AGM of the Company.

There being no question from the floor, Tunku Chairman proceeded to the next item on the Agenda.

### **9.0 ANY OTHER ORDINARY BUSINESS**

The Meeting noted that there was no other business to be transacted at this Meeting of which due notice had been given.

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

**POLL VOTING**

Tunku Chairman announced that the registration for attendance at the 17<sup>th</sup> AGM was closed at 10:40 a.m. to facilitate the conduct of a poll.

The Meeting was briefed on the procedures on the conduct of poll voting. Tunku Chairman then declared the commencement of the poll voting process.

After all votes have been cast, the Meeting was adjourned at 10:45 a.m. to facilitate the tabulation of votes by the Poll Administrator, Securities Services (Holdings) Sdn. Bhd. and verification of votes by the Independent Scrutineer, Commercial Quest Sdn. Bhd.

**ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed at 10:59 a.m. for the announcement of the poll results.

Tunku Chairman informed that the poll results from the Independent Scrutineer, Commercial Quest Sdn. Bhd. had been duly received.

Based on the report from Independent Scrutineer, the Company Secretary announced the poll results as follows: -

Resolutions	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
<b><u>Ordinary Resolution 1</u></b> To approve the payment of Directors' fees to the Non-Executive Directors amounting to RM90,000.00 for the financial year ended 31 December 2022.	402,918,640	99.9949	20,350	0.0051
<b><u>Ordinary Resolution 2</u></b> To approve the Directors' benefits payable to the Non-Executive Directors of up to RM30,000.00 from 30 May 2023 until the next AGM of the Company to be held in the year 2024.	402,918,640	99.9949	20,350	0.0051
<b><u>Ordinary Resolution 3</u></b> To re-elect Tunku Chairman, who is due to retire pursuant to Clause 118 of the Company's Constitution and being eligible, has offered himself for re-election.	390,865,290	100.0000	0	0.0000

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

Resolutions	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
<b><u>Ordinary Resolution 4</u></b> To re-elect Datuk Jared Lim, who is due to retire pursuant to Clause 118 of the Company's Constitution and being eligible, has offered himself for re-election.	400,588,990	100.0000	0	0.0000
<b><u>Ordinary Resolution 5</u></b> To re-elect Mr. Fan Kah Seong, who is due to retire pursuant to Clause 117 of the Company's Constitution and being eligible, has offered himself for re-election.	402,938,965	100.0000	25	0.0000
<b><u>Ordinary Resolution 6</u></b> To re-elect Puan Aidawati Binti Dahari, who is due to retire pursuant to Clause 117 of the Company's Constitution and being eligible, has offered herself for re-election.	402,938,990	100.0000	0	0.0000
<b><u>Ordinary Resolution 7</u></b> To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Board of Directors to fix their remuneration.	402,938,990	100.0000	0	0.0000
<b><u>Ordinary Resolution 8</u></b> Authority to Issue Shares pursuant to the Act.	401,933,990	99.9988	5,000	0.0012
<b><u>Ordinary Resolution 9</u></b> Proposed Renewal of Share Buy-Back.	402,938,990	100.0000	0	0.0000

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

Based on the results of the poll voting, Tunku Chairman declared that the following resolutions be **CARRIED**: -

**Ordinary Resolution 1**

*"THAT the payment of Directors' fees to the Non-Executive Directors amounting to RM90,000.00 for the financial year ended 31 December 2022, be and is hereby approved."*

**Ordinary Resolution 2**

*"THAT the Directors' benefits payable to the Non-Executive Directors of up to RM30,000.00 from 30 May 2023 until the next AGM of the Company to be held in the year 2024, be and is hereby approved."*

**Ordinary Resolution 3**

*"THAT Tunku Chairman who retired pursuant to Clause 118 of the Company's Constitution, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."*

**Ordinary Resolution 4**

*"THAT Datuk Jared Lim who retired pursuant to Clause 118 of the Company's Constitution, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."*

**Ordinary Resolution 5**

*"THAT Mr. Fan Kah Seong who retired pursuant to Clause 117 of the Company's Constitution, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."*

**Ordinary Resolution 6**

*"THAT Puan Aidawati Binti Dahari who retired pursuant to Clause 117 of the Company's Constitution, and being eligible for re-election, be and is hereby re-elected as a Director of the Company."*

**Ordinary Resolution 7**

*"THAT the retiring Auditors, Messrs. HLB Ler Lum Chew PLT be re-appointed as the Auditors of the Company until the conclusion of the next AGM of the Company and that authority be and is hereby given to the Board of Directors to fix their remuneration."*

**Ordinary Resolution 8**

**Authority to Issue Shares pursuant to the Act**

*"THAT subject always to the Act, the Company's Constitution, the Main LR of Bursa Malaysia Securities and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, always provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per*

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

*centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the time being;*

**AND THAT** *the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities; AND THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.*

**AND FURTHER THAT** *pursuant to Section 85 of the Act to be read together with Clause 17 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act."*

**Ordinary Resolution 9**  
**Proposed Renewal of Share Buy-Back**

**"THAT,** *subject always to the Act, the Company's Constitution, the Main LR of Bursa Malaysia Securities and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company ("**TXB Shares**") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities as the Directors may deem fit and expedient in the best interest of the Company, provided that:-*

- (i) the aggregate number of TXB Shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the Company's total number of issued shares as quoted on Bursa Malaysia Securities as at the point of purchase(s);*
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited/unaudited financial statements of the Company (where applicable) available at the time of the purchase(s); and*
- (iii) the TXB Shares to be purchased may be cancelled, retained as treasury shares, distributed as dividends to the shareholders or resold on Bursa Malaysia Securities, or a combination of any of the above, at the absolute discretion of the Directors.*

**AND THAT** *the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:-*

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time the authority shall lapse, unless by an Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or*
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or*
- (c) revoked or varied by an Ordinary Resolution passed by the Company's shareholders in a general meeting,*

*whichever occurs first.*

**TECHNA-X BERHAD**

[Registration No. 200601012477 (732227-T)]  
(Incorporated in Malaysia)

(Minutes of the 17<sup>th</sup> AGM held on 30 May 2023 - cont'd)

**AND FURTHER THAT** *the Directors of the Company be authorised to do all acts, deeds and things to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."*

**CONCLUSION**

There being no other business to be transacted, Tunku Chairman concluded the Meeting and thanked all present for their attendance.

The Meeting ended at 11:03 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

-duly signed-

---

Y.A.M. TUNKU NAQUIYUDDIN  
IBNI TUANKU JA'AFAR  
CHAIRMAN

Dated: 30 May 2023

## Annexure A

### QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE LETTER DATED 24 MAY 2023 AND CORRESPONDING REPLIES FROM THE COMPANY

NO.	QUESTIONS	ANSWERS
1.	<p>The Group's investments in associates namely Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd., ("<b>GABNEIT</b>") and its subsidiary recorded revenue of RM4.6 million and RM4.3 million in the financial years ("<b>FY</b>") 2022 and 2021 respectively.</p> <p>However, the associates recorded a substantial increase in loss of RM51.1 million in FY 2022 as compared a loss of RM1.2 million in FY2021. [Page 113 of Annual Report for the financial year ended 31 December 2022 ("<b>AR</b>")]</p> <p>(a) What were the reasons GABNEIT and its subsidiary suffered such huge loss in FY2022?</p>	<p>The substantial increase in losses registered by GABNEIT in FY2022 was primarily due to the impairment of receivables amounting to approximately RM45.7 million attributed to the unpaid share capital which had remained outstanding over a protracted period of time. It is however worthwhile to note that under the company laws of China, it is common for shareholders to be granted a lengthy time period to pay for the shares issued, which in the case of GABNEIT, be paid by 2030. Notwithstanding that, for prudence purposes the management had agreed with the auditor's recommendation to provide for an impairment to the said amount. The balance of the charges contributing to the loss were made up of some inventory write-off, an increase in depreciation charge as a result of capitalisation of work-in-progress in FY2021 into fixed assets in FY2022 as well as the normal administrative and operational costs, the amounts of which are almost similar to that incurred in the preceding year.</p> <p>The comparatively lower loss of RM1.2 million in FY2021 was attributed to the fact that there was a write back of bad debts in FY2021 amounting to approximately RM3.3 million, which have been written-off in the prior year.</p>

NO.	QUESTIONS	ANSWERS
	<p>(b) What measures have been taken to mitigate the losses of GABNEIT and its subsidiary from reporting higher losses in FY2023?</p> <p>(c) What is the outlook of GABNEIT and its subsidiary in FY2023?</p>	<p>The financial transactions that resulted GABNEIT registering a huge loss in FY2022 as mentioned above, for all intents and purposes, were once-off accounting entry which is not expected to be incurred in FY2023. Accordingly, for FY2023, the management does not expect GABNEIT to incur such a huge loss.</p> <p>China ended its draconian zero-Covid policy in December 2022 and fully opened up its economy in January 2023. As a result of that, the business operations of GABNEIT are gradually steered back to normalcy with lesser disruptions to its production activities. Given these circumstances and the lifting of international travel restrictions into China, the management will now be able to travel to China to obtain a better understanding on the state of affairs of GABNEIT and accordingly re-strategise and put in place the appropriate business direction to drive GABNEIT forward. In this respect, barring any unforeseen circumstances, it is expected that the outlook for GABNEIT for FY2023 to be brighter, compared to that of the previous years.</p>
2.	<p>Energy Storage Solutions business segment, namely the HK Aerospace Beidou New Energy Technology Co., Limited ("<b>HKAB</b>") and its subsidiaries failed to recognise any revenue in FY2022 as compared to the preceding year revenue of RM23.5 million. (Pages 56 and 112 of AR)</p> <p>(a) Why did it incur a loss of RM17.1 million in FY2022 as compared to a profit RM0.2 million in FY2021 even though it did not record any revenue in FY2022?</p> <p>(b) What were the reasons for the high loss reported in FY2022.</p>	<p>HKAB, being an investment holding company, is the ultimate holding company of GABNEIT with an effective shareholding interest of approximately 37.6% of the latter. The loss registered by HKAB in FY2022 of approximately RM17.1 million was as a result of the loss incurred by GABNEIT [as described in 1(a) above] which is being consolidated into HKAB's financial statements.</p> <p>Please refer to 1(a) above.</p>

NO.	QUESTIONS	ANSWERS
3.	<p>What were the challenges faced by the Company and its subsidiaries ("<b>Group</b>") in raising funds to settle the outstanding purchase consideration owing by the Company to the vendors of Touchpoint International Sdn. Bhd. ("<b>TPI</b>") and Wavetree PLT ("<b>WT</b>")?</p> <p>(a) Who were the vendors of TPI and WT respectively?</p> <p>(b) What were the outstanding amounts owing to the vendors of TPI and WT respectively as of March 2023?</p> <p>(c) When does the Group expect to settle the outstanding purchase consideration to the vendors of TPI and WT respectively?</p>	<p>Given the debilitating effect of the Covid pandemic in 2020 on businesses, coupled with the fact that the share price of the Company being continuously languished at a significantly low level over a protracted period of time, the Company faced numerous challenges in executing its fund raising exercises effectively to raise sufficient funds to settle all of the Purchase Considerations owing to the vendors of the companies/businesses that it acquired. Accordingly, indulgence in terms of time were successfully negotiated with the said vendors to defer the settlement of the relevant balance of the said Purchase Considerations.</p> <p>The vendors of TPI and WT are as follows:</p> <p>TPI:     • Ng Chee Seng           • Amiruddin Bin Yahaya</p> <p>WT:       • Ng Chee Seng           • Cindy Wong Ling Ping</p> <p>The amount remaining outstanding to the vendors of TPI and WT as at 31 March 2023 are as follows:</p> <p>TPI:     Nil WT:     RM28.3 million</p> <p>The Company is in the midst of undertaking a corporate exercise and also contemplating fund raising initiatives in the near future. Accordingly, the management is expecting to settle the balance amount outstanding to the vendors of WT by FY2024.</p>
4.	<p>The Group's debt-to-equity ratio was 3.97 times in FY2022. The Group recorded negative equity attributable to the owners of the Company of RM27.7 million in FY2021. (Page 148 of AR)</p> <p>(a) What measures have been taken to reduce the debt-to-equity ratio?</p>	<p>The major components of the Group's debt as at 31 December 2022 comprised "<i>Other Payables</i>" and "<i>Lease Liabilities</i>", amounting to approximately RM119.9 million and RM13.3 million, respectively. During the FY2023, the Group has settled approximately RM10.6 million of the "<i>Other Payables</i>" and is also currently in the midst of undertaking a corporate exercise which amongst others, include a debt-to-equity settlement to settle approximately RM33.8 million of debts therein. The other major items within the "<i>Other Payables</i>" include the amount owing to vendors of approximately</p>

NO.	QUESTIONS	ANSWERS
	(b) What is the Group's optimum debt-to-equity ratio?	<p>RM41.8 million. Such amount have been successfully negotiated by the management (as described in paragraph 3 above) to allow for deferred settlement, thus alleviating the immediate financial strain on the Group.</p> <p>Insofar as the "Lease Liabilities" amounting to RM13.3 million is concerned, such an amount appears in the Debt section as a result of procedural accounting entry wherein such amount is backed by a corresponding accounting entry under "Right of Use" asset.</p> <p>The Group hope to gradually reduce its debt-to-equity ratio to below 2 times, moving forward.</p>
5.	<p>During the year, the Group via its wholly-owned subsidiary, WT, had entered into a Partnership Agreement with Borneo Eco Star Sdn. Bhd. ("<b>BES</b>") to collaborate and develop a Smart Integrated Aquaculture Platform. (Page 53 of AR)</p> <p>(a) Has the Group successfully entered into any partnership with any third party apart from BES? If yes, please name the partners.</p> <p>(b) What is the Company's share of profit from the partnership with BES.</p>	<p>No. At this current juncture, the Group (via its relevant subsidiaries), is still working towards securing more partnerships with other third parties. Appropriate announcement will be made, as and when such partnerships are successfully contracted.</p> <p>BES and Wavetree Technologies Sdn. Bhd. ("<b>WTT</b>") are to collaborate on the research and development, and commercialisation of prawn farming Internet of Things platform solution, which comprises sensor hardware and analytics enabled software. WTT will be commercially deploying the said solution at BES's prawn farm in Kota Kinabalu as a paid implementation, so that the deployed system can serve as a testing facility and technology demonstration reference site. Further co-commercialisation of the resultant solution has yet to be discussed and finalised with BES.</p>