

PRIVASIA TECHNOLOGY BERHAD
[“PTB” or “The Company”]
[Registration No. 200801023769 (825092-U)]
(Incorporated in Malaysia)

MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING [“16TH AGM”] OF THE COMPANY HELD AT C-21-02, 3 TWO SQUARE, NO. 2, JALAN 19/1, 46300 PETALING JAYA, SELANGOR ON FRIDAY, 28 JUNE 2024 AT 10.00 AM

PRESENT:-

BOARD OF DIRECTORS

YB Dato’ Azman Bin Mahmud	- [“YB Dato’ Chairman”]
Datuk Puvanesan a/l Subenthiran	- [“Datuk Puvanesan/Group Chief Executive Officer”]
Mr Andre Anthony a/l Hubert Rene	
Pn Haida Shenny Binti Hazri	
Mr Leong Kah Chern	
Mr Yip Kit Weng	

IN ATTENDANCE

Ms Wong Chow Lan	- Company Secretary
Mr Kularajah M.Thavaratnam	- Group Finance Director
Mr Ng Zu Wei	- Representative of Messrs Baker Tilly Monteiro Heng PLT

SHAREHOLDERS AND PROXIES

The attendance of Shareholders and Proxies is as per the Attendance Record issued by the Share Registrar.

1. OPENING ADDRESS

YB Dato’ Chairman extended a warm welcome to the shareholders and proxies of PTB present at the 16th AGM.

2. INTRODUCTION OF PTB BOARD OF DIRECTORS AND TOP MANAGEMENT

YB Dato’ Chairman introduced PTB’s Board of Directors, Group Finance Director, Company Secretary and the representatives from Messrs Baker Tilly Monteiro Heng PLT, who were in attendance.

3. QUORUM OF MEETING

- (1) The Company Secretary confirmed that there was a sufficient quorum in accordance with the Company’s Constitution.
- (2) YB Dato’ Chairman thanked the Company Secretary and declared that the Meeting was duly constituted.

4. NOTICE OF MEETING

The Notice of 16th AGM dated 26 April 2024, circulated earlier to all shareholders, Bursa Malaysia Securities Berhad, and Company Auditors per the Company’s Constitution, were taken as read.

5. ADMINISTRATIVE MATTERS

YB Dato’ Chairman briefed the Meeting on administrative matters.

- (1) YB Dato’ Chairman informed the Shareholders that in accordance with the Rules of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the AGM would be conducted by poll. He further informed that there was no legal requirement for a proposed resolution to be seconded, and he would take the Meeting through each item on the Agenda.
- (2) YB Dato’ Chairman informed that he was appointed as a proxy for members who cannot participate in the AGM and would vote in accordance with the instruction given.

- (3) The Meeting noted that the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. would act as the Poll Administrator and SKY Corporate Services Sdn Bhd as an Independent Scrutineer to verify the poll results.
- (4) Shareholders were informed that the voting process for all resolutions set out in the Notice of the 16th AGM would be carried out after discussing all Agenda items of the Meeting.

6. PRESENTATION BY THE GROUP CHIEF EXECUTIVE OFFICER ON THE COMPANY'S KEY AND FINANCIAL HIGHLIGHTS AND BUSINESS STRATEGY

- (1) Before YB Dato' Chairman proceeded with the business of the meeting, he invited Datuk Puvanesan, the Group Chief Executive Officer ["GCEO"], to present the Company's key financial highlights and business strategy for the Financial Year under review.
- (2) Datuk Puvanesan thanked the shareholders for their attendance and support for the Company and continued his presentation.
- (3) Datuk Puvanesan highlighted the disclaimer that the presentation may contain forward-looking statements related to financial, market or industry trends for future periods and should not be treated as a forecast, projection, estimate or guarantee of the Company's future performance. Actual performance, results and outcome may deviate from what was presented.
- (4) The meeting noted that the presentation covered PTB's key financial and operational highlights, Business Outlook, Business Strategy and Direction. The presentation made by Datuk Puvanesan is attached to this minutes as **Appendix A**.
- (5) With that, YB Dato' Chairman thanked the GCEO for the presentation. He hoped that with the explanations given by the GCEO, the Meeting would have a better understanding of the Group's business performance and outlook as well as the challenges encountered and shall encounter during the financial year and the coming years.

YB Dato' Chairman then presented the agendas of the meeting as follows:-

**7. AGENDA 1
TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

- (1) YB Dato' Chairman clarified that the Audited Financial Statements for the financial year ended 31 December 2023 ["Financial Statements"], together with the Reports of the Directors and Auditors thereon, were meant for discussion only. He added that the provision of the Companies Act 2016 ["the Act"] provided that the Financial Statements do not require formal approval by the shareholder and the agenda would not be put to vote.
- (2) YB Dato' Chairman invited the shareholders to raise questions pertaining to the Financial Statements. He informed them that all questions would be dealt with accordingly during the Q&A session upon the completion of the remaining business of the AGM.
- (3) YB Dato' Chairman then declared that the Company's Audited Financial Statements for the financial year ended 31 December 2023, together with the Reports of the Directors and Auditors, be received.

**8. AGENDA 2
TO RE-ELECT THE DIRECTORS WHO SHALL RETIRE PURSUANT TO CLAUSE 165 OF THE COMPANY'S CONSTITUTION**

- (1) Ordinary Resolutions 1 and 2 pertaining to the re-election of Directors pursuant to Clause 165 of the Company's Constitution.
- (2) The Meeting was informed that during the financial year 31 December 2023, the Board of Directors had undertaken their annual evaluation assessment. Based on the results, the Board and the Nomination and Remuneration Committee were satisfied with each Director's performance and contribution to the Board through their skills, experience and expertise.
- (3) YB Dato' Chairman, on behalf of the Board, recommended all votes in favour of all resolutions on the re-election of Directors. He then informed that the retiring Directors had offered themselves for re-election to the Board.

9. **AGENDA 2**
ORDINARY RESOLUTION 1
TO RE-ELECT HAIDA SHENNY BINTI HAZRI AS DIRECTOR PURSUANT TO CLAUSE 165 OF THE COMPANY'S CONSTITUTION

- (1) YB Dato' Chairman proceeded to table Ordinary Resolution 1 on the re-election of Pn Haida Shenny Binti Hazri, who retired in accordance with Clause 165 of the Company's Constitution.
- (2) YB Dato' Chairman notified that Pn Haida Shenny Binti Hazri had indicated her willingness to be re-elected as a Director of the Company.

10. **AGENDA 2**
ORDINARY RESOLUTION 2
TO RE-ELECT LEONG KAH CHERN AS DIRECTOR PURSUANT TO CLAUSE 165 OF THE COMPANY'S CONSTITUTION

Ordinary Resolution 2 on the re-election of Mr Leong Kah Chern, who retired in accordance with Clause 165 of the Company's Constitution, was tabled. YB Dato' Chairman notified that Mr Leong Kah Chern had indicated his willingness to be re-elected as a Director of the Company.

11. **AGENDA 3**
ORDINARY RESOLUTION 3
TO APPROVE THE PAYMENT OF DIRECTORS' FEES UP TO AN AMOUNT OF RM444,000 PAYABLE TO THE DIRECTORS OF THE COMPANY FROM A DAY AFTER THE 16TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY TO BE HELD IN 2025

- (1) Ordinary Resolution 3 on the approval for payment of Directors' Fees up to RM444,000.00 payable to the Directors of the Company from a day after the 16th AGM until the conclusion of the next AGM of the Company to be held in 2025 was tabled.
- (2) YB Dato' Chairman informed the meeting that pursuant to Section 230(1) of the Act, Directors' fees and any benefits payable to the Directors of a listed Company and its subsidiaries shall be approved at a general meeting. Details of the Directors' Benefits were stated under the Explanatory Note of the Notice of the AGM.

12. **AGENDA 4**
ORDINARY RESOLUTION 4
TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE TO THE DIRECTORS OF THE COMPANY UP TO RM86,000 A DAY AFTER THE 16TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY TO BE HELD IN 2025

Ordinary Resolution 4 was in regards to the approval for payment of Directors' Benefits payable to Directors from a day after the 16th AGM until the conclusion of the next AGM of the Company to be held in 2025 was tabled. Details of the Directors' Benefits were stated under the Explanatory Note of the Notice of the AGM.

13. **AGENDA 5**
ORDINARY RESOLUTION 5
TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS OF ITS SUBSIDIARIES OF RM34,800.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

- (1) Ordinary Resolution 5 on approval for payment of directors' fees and benefits for the Company's subsidiaries of RM34,800.00 for the financial year ended 31 December 2023 was tabled.
- (2) YB Dato' Chairman informed the meeting that the details of the directors' fees and benefits of the Company's subsidiaries were stated under the Explanatory Note of the Notice of the AGM.

14. **AGENDA 6**
ORDINARY RESOLUTION 6
TO RE-APPOINT MESSRS BAKER TILLY MONTEIRO HENG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

- (1) Ordinary Resolution 6 on the re-appointment of Messrs Baker Tilly Monteiro Heng PLT ["BTMH"] to act as Auditors of the Company, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration was tabled.

- (2) BTMH has indicated their willingness to continue serving as Company Auditors for the Financial Year ending 31 December 2024.

15. AGENDA 7

ORDINARY RESOLUTION 7

AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

- (1) YB Dato' Chairman highlighted to the shareholders that the proposed Ordinary Resolution 7, if passed, will provide flexibility to the Directors to issue and allot shares at any time in their absolute discretion and for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. These mandates shall continue in force and lapse at the next AGM's conclusion unless it is revoked or varied at a general meeting.
- (2) Ordinary Resolution 7 was tabled on the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

16. AGENDA 8

ANY OTHER BUSINESS

The Company Secretary confirmed that the Company had not received any notice of any other business in accordance with the Act and the Company's Constitution.

17. QUESTIONS & ANSWER SESSION (Q&A SESSION)

- (1) All seven Resolutions were tabled as set out in the Notice of the 16th AGM. YB Dato' Chairman proceeded with the Q&A session and informed that the Company had received questions from the Minority Shareholder Watch Group (MSWG).
- (2) The questions from MSWG and the Company's responses were projected at the meeting, and a copy was also distributed to all shareholders and proxies present at the meeting.
- (3) The presentation slides on the questions raised by MSWG and the Company's responses are appended herewith as **Appendix B**.
- (4) YB Dato' Chairman invited Datuk Puvanesan to address the question received from the shareholders/proxies at the meeting.

The questions posed to the Company are as follows:-

Question 1

To provide further explanation for the negative Gross Profit margin for Finanshere.

The Company's response to the question was summarised as follows:-

Datuk Puvanesan clarified that Finanshere was a startup product, and in its first year, it faced a net loss due to high initial costs. Datuk Puvanesan added that the subsidiary aimed to move towards profitability and would need to tighten its financial management to achieve better balance and work towards profitability.

Datuk Puvanesan further informed that the take-up rate for Finanshere was improving, and the Management was planning to decide whether to position Finanshere as a general solution or a fintech product for monetisation. He added that the Management was still in the process of understanding the business since Finanshere was considered a startup product and was figuring out the best path forward.

Question 2

To advise if the Company has planned to provide any dividends for 2024

The company's response to the question was summarised as follows:-

Datuk Puvanesan responded that PTB would need to improve its reserves and was not ready to declare a dividend for the year 2024.

YB Dato' Chairman ended the Q&A session by thanking all the shareholders for the questions raised.

18. **POLLING PROCESS**

YB Dato' Chairman invited the Poll Administrator to brief the meeting on the poll voting process.

At 10.28 a.m, YB Dato' Chairman announced the commencement of the poll and invited the shareholders and proxies to cast their votes.

YB Dato' Chairman declared the polling closed at 10.40 a.m. The Independent Scrutineers, Sky Corporate Services Sdn Bhd, verified the poll results.

19. **ANNOUNCEMENT OF POLL RESULTS**

YB Dato' Chairman called the meeting to order the deliverance of the polling results at 11.24 a.m. The polling results were compiled and verified by Sky Corporate Services Sdn. Bhd. and were projected to the Meeting.

Based on the polling results, YB Dato' Chairman declared that all motions tabled at the 16th AGM were carried as follows:-

Resolution	VOTE FOR		VOTE AGAINST	
	Number of shares	%	Number of shares	%
Ordinary Resolution 1 – To re-elect Pn Haida Shenny Binti Hazri as a Director.	270,647,456	99.9999%	396	0.0001%
Ordinary Resolution 2 – To re-elect Mr Leong Kah Chern as a Director	270,646,356	99.9998%	496	0.0002%
Ordinary Resolution 3 – To approve the payment of Directors' Fees up to an amount of RM444,000 from a day after the 16 th AGM until the conclusion of the next AGM of the Company to be held in 2025.	247,613,356	99.9994%	1,496	0.0006%
Ordinary Resolution 4 – To approve the payment of Directors' benefits payable to the Directors of the Company up to RM86,000 from a day after the 16 th AGM until the conclusion of the next AGM of the Company to be held in 2025.	247,613,056	99.9993%	1,796	0.0007%
Ordinary Resolution 5 – To approve the payment of Directors' Fees and Benefits of the Company's subsidiaries of RM34,800 for the financial year ended 31 December 2023.	270,646,156	99.9994%	1,596	0.0006%
Ordinary Resolution 6 – To re-appoint Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	270,647,356	99.9999%	396	0.0001%
Ordinary Resolution 7 – To authorise the Directors to issue shares pursuant to Sections 75, 76 and 85 of the Companies Act, 2016 and Clause 31 of the Company's Constitution.	270,645,756	99.9992%	2,096	0.0008%

The Shareholders thanked the Company for its efforts and hoped for the Company's success in the coming years.

20. **CLOSURE OF MEETING**

PTB's 16th AGM ended at 11.25 a.m. YB Dato' Chairman thanked all shareholders and proxies of the Company present at the Meeting.

PRIVASIA TECHNOLOGY BERHAD
Registration No : 200801023769 (825092-U)

28TH JUNE 2024
10.00 AM

CORPORATE PRESENTATION 16TH ANNUAL GENERAL MEETING

PRESENTED BY

**DATUK PUVANESAN
SUBENTHIRAN**

GROUP CHIEF EXECUTIVE OFFICER /
MANAGING DIRECTOR

PRIVA

PRIVASIA
TECHNOLOGY
BERHAD



FUTURE

OF

BUSINESS,

TODAY.





DISCLAIMER

This presentation and the discussion following may contain forward looking statements by PRIVASIA Technology Berhad (“PRIVASIA”) related to financial, market or industry trends for future period. These forward looking statements involve known and unknown risks and uncertainties which may cause the actual performance, results and outcomes to be different than that expressed in this presentation.

The statements are made based on facts and information available to PRIVASIA at the date of the presentation and merely represent an expression of PRIVASIA management’s views, targets and occurrences of future events. They do not in anyway represent a forecast, projection, estimate or guarantee of PRIVASIA’s future performance and neither have they been independently verified.

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**OVERVIEW
GROUP'S
PERFORMANCE**

**KEY
PERFORMANCE
INDICATORS**



OVERVIEW GROUP'S PERFORMANCE (2023 vs 2022)

REVENUE
(RM)

115.19M **+185.67%**

OPERATING PROFIT
BEFORE IMPAIRMENT
LOSSES (RM)

7.50M **+475.60%**

PROFIT FOR THE
FINANCIAL YEAR (RM)

0.40M **+147.08%**

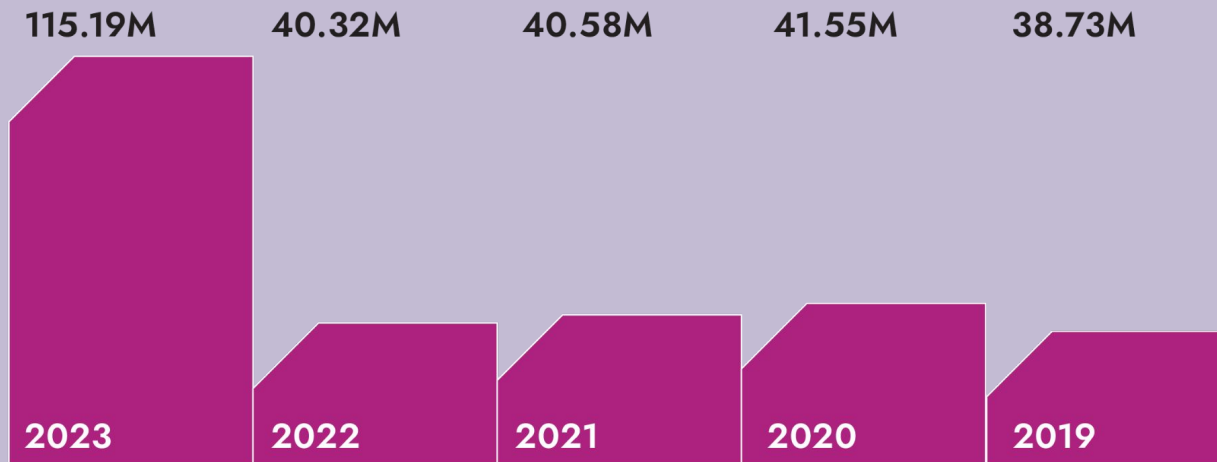


**5 YEARS
FINANCIAL
HIGHLIGHTS**

**KEY
PERFORMANCE
INDICATORS**



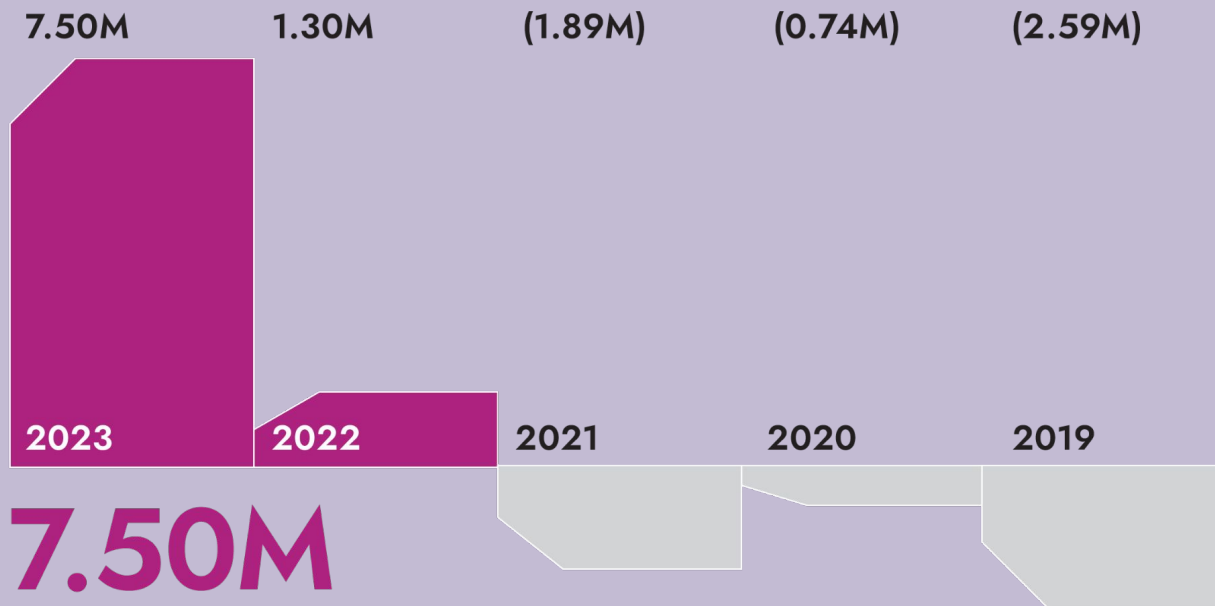
5 YEARS FINANCIAL HIGHLIGHTS



115.19M
REVENUE (RM)



5 YEARS FINANCIAL HIGHLIGHTS

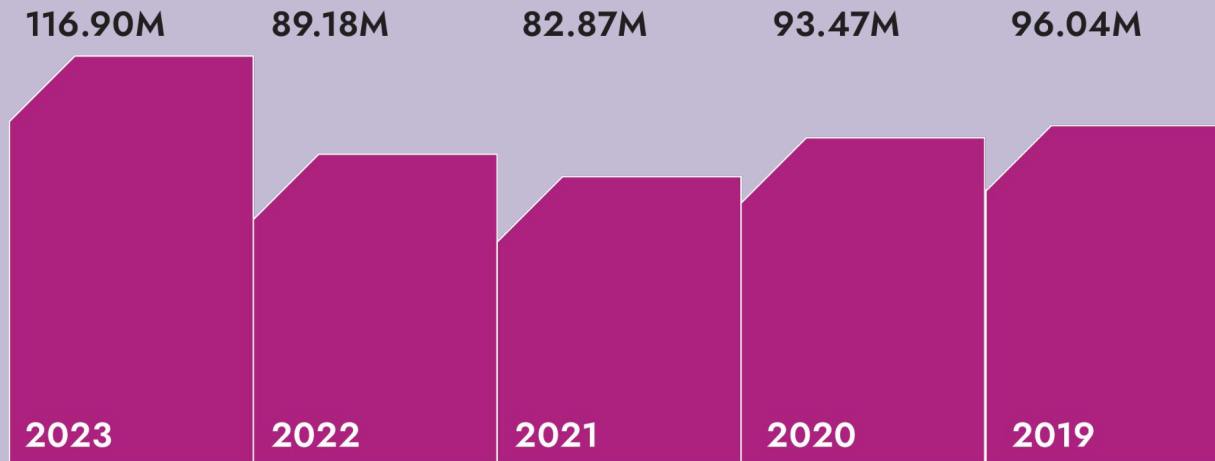


7.50M

**OPERATING
PROFIT/(LOSS) BEFORE
IMPAIRMENT LOSSES (RM)**



5 YEARS FINANCIAL HIGHLIGHTS



116.90M
TOTAL ASSETS (RM)

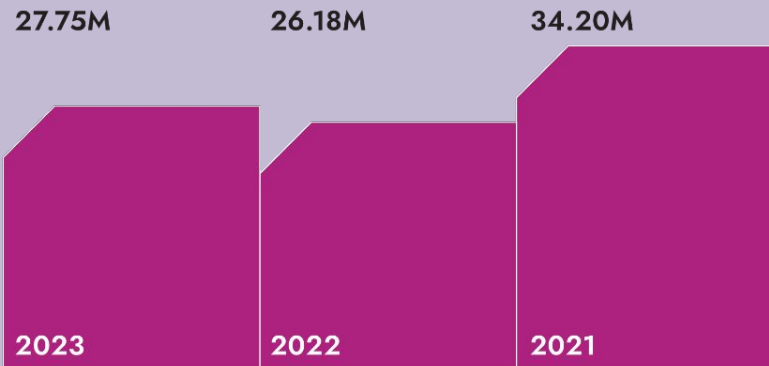


**SEGMENT &
QUARTERLY
RESULTS**

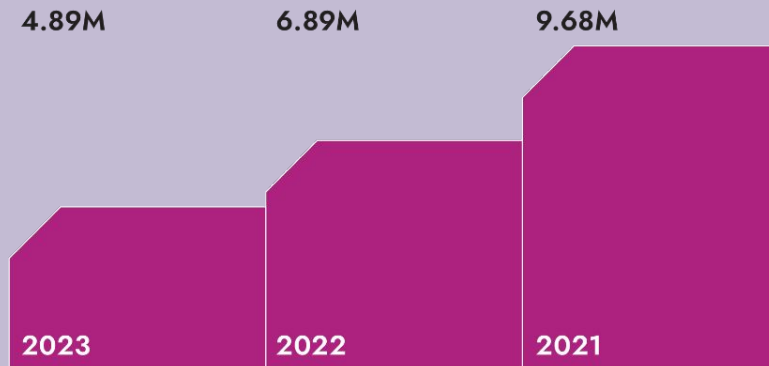
**KEY
PERFORMANCE
INDICATORS**



SEGMENT RESULTS - INFORMATION TECH (IT)



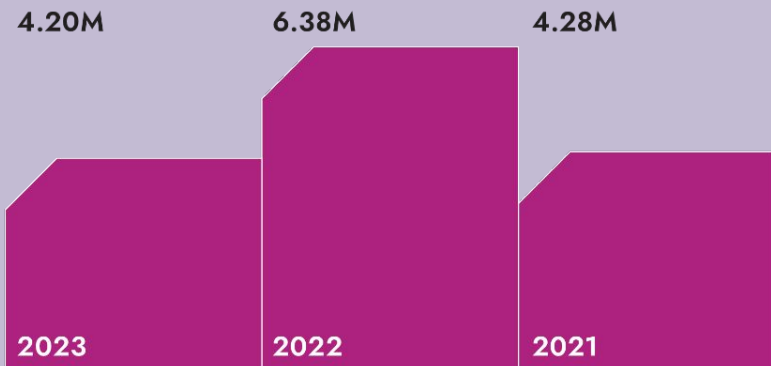
27.75M REVENUE 2023 (RM)
INFORMATION
TECHNOLOGY (IT)



4.89M GROSS PROFIT 2023 (RM)
INFORMATION
TECHNOLOGY (IT)

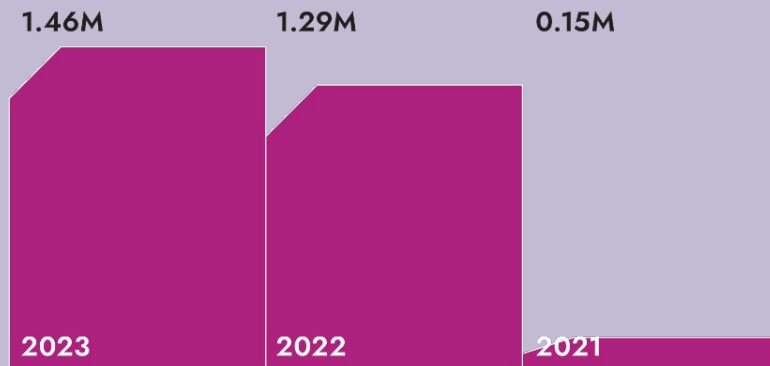


SEGMENT RESULTS - INFORMATION COMMUNICATION TECH (ICT)



4.20M

REVENUE 2023 (RM)
INFORMATION
COMMUNICATION
TECHNOLOGY (ICT)

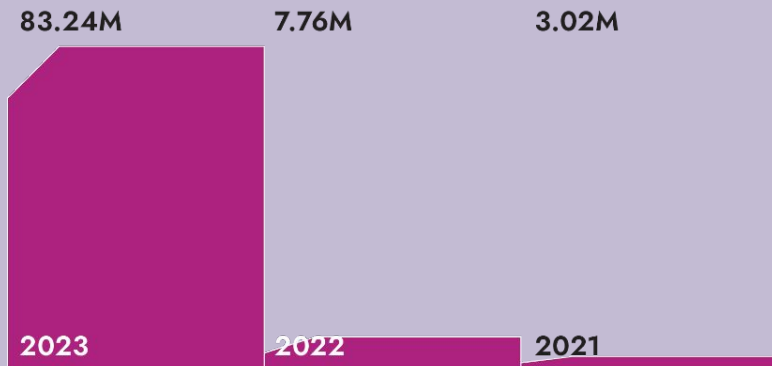


1.46M

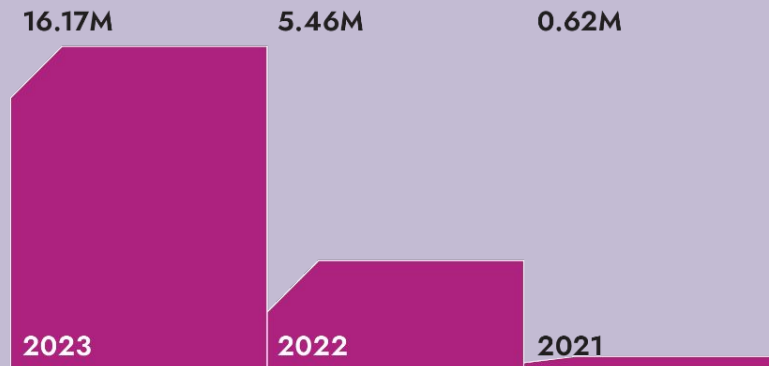
GROSS PROFIT 2023 (RM)
INFORMATION
COMMUNICATION
TECHNOLOGY (ICT)



SEGMENT RESULTS - SATELLITE-BASED NETWORK SERVICES (SAT)



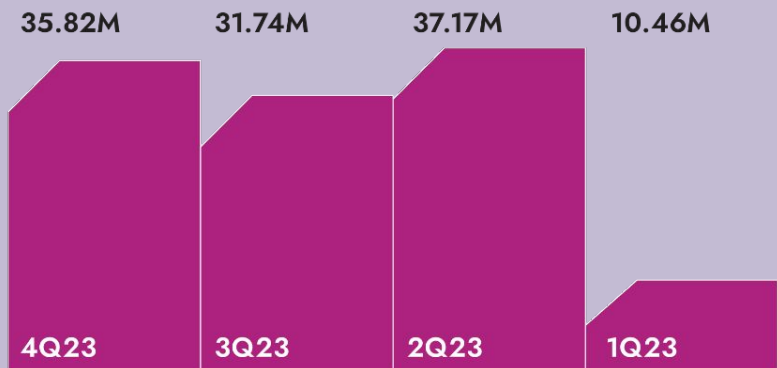
83.24M REVENUE 2023 (RM)
SATELLITE-BASED
NETWORK SERVICES (SAT)



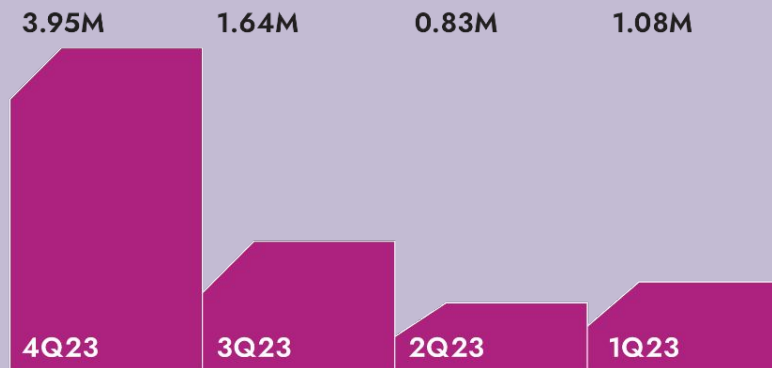
16.17M GROSS PROFIT 2023 (RM)
SATELLITE-BASED
NETWORK SERVICES (SAT)



QUARTERLY RESULTS



115.19M REVENUE (RM)



7.50M OPERATING PROFIT BEFORE IMPAIRMENT LOSSES (RM)





SOFTWARE RE-ENGINEERING WITH GENERATIVE AI

PRIVASIA plans to exploit GenAI adaption for example will be in documenting code functionality for maintainability of PROCUREHERE and FINANSHERE, which can be completed in half the time, **writing new code in a fraction of the time, and code refactoring.**



With the right upskilling and enterprise enablers, these speed gains can be translated into an **increase in productivity** that outperforms past advances in engineering productivity, driven by both new tooling and processes.

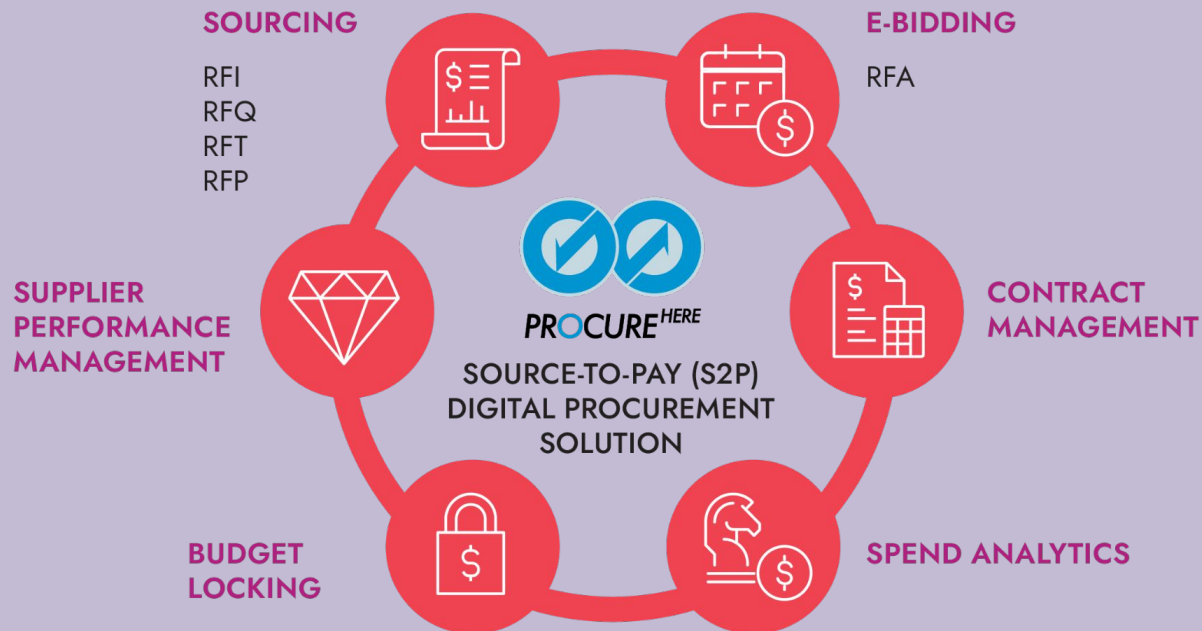


PRIVASIA plans to use GenAI creative solution methodology learning process which envelopes the large amounts of data owned by PRIVASIA. This is particularly relevant towards PROCUREHERE, FINANSHERE and iTAP **roadmap execution in the next 24 months.**



In addition to the current data needs of PRIVASIA business services in the innovation process, synthetic data and projections are used to determine future needs and trends relevant to PRIVASIA future target markets.

INTELLECTUAL PROPERTY(IP) PRODUCTS - PROCUREHERE



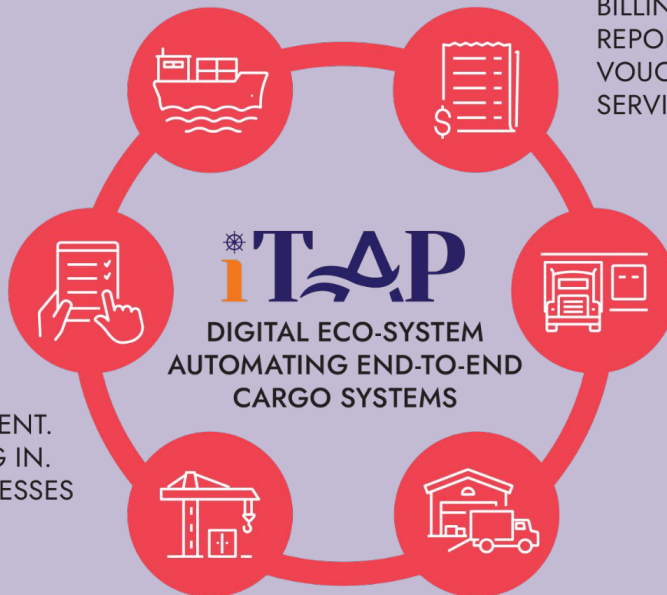
INTELLECTUAL PROPERTY(IP) PRODUCTS - iTAP

VESSEL MANAGEMENT

VESSEL VISIT.
VESSEL SCHEDULE.
VESSEL PARTICULAR.
BERTH PLANNING.
TERMINAL PLANNING.
WHARF PLANNING.
VESSEL MOVEMENT.
PILOT BOOKING.

E-DOCUMENTATION

VESSEL DATA.
IMPORT/EXPORT DOCUMENT.
EXTERNAL DATA COMING IN.
KEY TO AUTOMATE PROCESSES
& DATA GATHERING.



FINANCE & BILLING

BILLINGS.
REPORTS.
VOUCHER GENERATION
SERVICE REQUEST.

SECURITY

AUTOMATED ENTRY/EXIT.
E-PASS/E-DOCS.
MAN-LESS.
LICENSE PLATE
RECOGNITION.

OPERATIONS MANAGEMENT & MONITORING

PERFORMANCE REPORT.
PRODUCTIVITY REPORT.
RESOURCE PLANNING.

WAREHOUSE

CAPACITY PLANNING & MANAGEMENT.
TALLY CLERK MOBILE APP .

SUPPLIER

Faster cash conversion cycle will improve business efficiency.

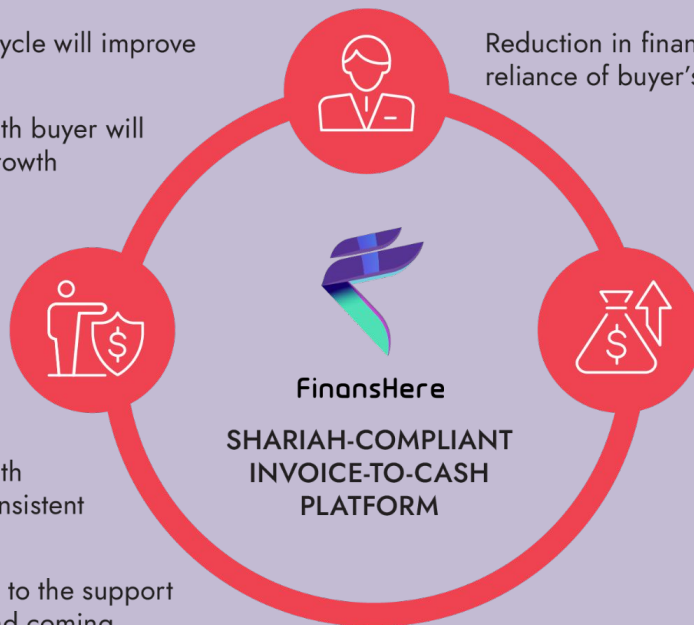
Improved relationship with buyer will create future business growth possibilities.

BUYER

Optimised liquidity management due to potential payment terms extension.

Improved relationship with supplier will promote consistent delivery & quality.

Positive CSR activity due to the support towards promising up and coming underbanked suppliers.



Reduction in financing cost due to reliance of buyer's superior credit rating.

FUNDER

Attractive returns for reputable credit worthiness of buyer.

High quality transaction-based short term financing.

Increased customer base for potential cross selling.



CLIENTS



AMANAT LEBUHRAYA BHD.
AXA AFFIN GENERAL INSURANCE BHD.
BERJAYA CORPORATION BHD.
BINTULU PORT HOLDINGS BHD.
BOUSTEAD PLANTATIONS BHD.
EDGEPOINT INFRASTRUCTURE SDN. BHD.
FELCRA BHD.
FGV HOLDINGS BHD.
FIBERAIL SDN. BHD.
GENERALI LIFE INSURANCE MALAYSIA BHD.
INDAH WATER KONSORTIUM SDN. BHD.
MALAYSIA AIRPORTS HOLDINGS BHD.
PENGURUSAN ASET AIR BHD.
SMALL MEDIUM ENTERPRISE DEVELOPMENT
BANK MALAYSIA BHD.
WESTPORTS HOLDINGS BHD.
PORT KLANG AUTHORITY

2020 AWARD WINNER

MALAYSIA TECHNOLOGY EXCELLENCE
AWARD FOR ENTERPRISE SOFTWARE & IT
SERVICES



BOUSTEAD PLANTATIONS BHD.
FGV HOLDINGS BHD.
FIBERHOME TELECOMMUNICATION
TECHNOLOGIES CO., LTD.
FIREFLY – SUBSIDIARY OF MALAYSIA AIRLINES
HEITECH PADU BHD.
INDAH WATER KONSORTIUM SDN. BHD.
MALAYSIA AIRPORTS HOLDINGS BHD.
MALAYSIA AIRLINES BHD.
MSM MALAYSIA HOLDINGS BHD.
PERNEC CORPORATION BHD.
PRIVASIA TECHNOLOGY BHD.
WESTPORTS HOLDINGS BHD.



KONSORTIUM PELABUHAN
KEMAMAN SDN. BHD.
KUANTAN PORT CONSORTIUM SDN. BHD.
LUMUT MARITIME TERMINAL SDN. BHD.
SUKMA SAMUDRA SDN. BHD.
WESTPORTS HOLDINGS BHD.



MOVING FORWARD

R&D

- *Investing in R&D initiatives, developing AI-driven solutions*
- *Create differentiated products/services*

PARTNERSHIPS & COLLABORATIONS

- *Partnerships & Collaboration with new Partners, Research Institution, and Technology start-ups*

PRODUCT DEVELOPMENT & INTEGRATION

- *Developing AI powered/driven products & solutions and satellite imaging solutions*

MARKET EXPANSION & GROWTH

- *Expansion focusing targeted key verticals, where AI-powered solutions can deliver significant value*

CUSTOMER ENGAGEMENT & SUPPORT

- *Building strong relationship with customers*
- *Providing excellent customer support for long term success*



THANK YOU

PRIVA

PRIVASIA
TECHNOLOGY
BERHAD



MSWG QUESTIONS & ANSWERS

**OPERATIONAL &
FINANCIAL MATTERS**



MSWG QUESTION 1.A

The Group's revenue soaring to RM115.2 million from RM40.3 million in FYE2022, propelled by substantial advancements in the Satellite-based network Services (SAT) segment's PoP2 Project. Despite a RM4.0 million goodwill impairment, the Group achieved a RM0.4 million profit after tax, signaling a significant turnaround from a RM0.9 million loss in the prior year (page 28 of Annual Report (AR) 2023).

a) How much is the contract value of the PoP2 project? What is the total amount of progress billings recorded for PoP2 project during FYE2023?

What is the current order book for the Group excluding the PoP2 project?

Total contract value RM 1,244,696,521 as per announcement dated 11 Oct 2022. PRIVASAT has entered into an unincorporated joint venture with APEX Communications Sdn Bhd whereby each party will perform its respective job scopes.

Our portion of the contract is RM315 million. Total amount of progress billing of POP2 project for 2023 is RM38,865,000 and without POP2 is RM627,451.

Order book for the group apart from the POP2 project as at 31 Mar 2024 is RM 94,485,285.



MSWG QUESTION 1.B

The Group's revenue soaring to RM115.2 million from RM40.3 million in FYE2022, propelled by substantial advancements in the Satellite-based network Services (SAT) segment's PoP2 Project. Despite a RM4.0 million goodwill impairment, the Group achieved a RM0.4 million profit after tax, signaling a significant turnaround from a RM0.9 million loss in the prior year (page 28 of Annual Report (AR) 2023).

b) How has the deployment phase progressed for the PoP2 project? Any significant development achieved during the deployment period last year?

Also, were there any challenges encountered during this period, and how have they been addressed?

Regarding the deployment phase of the POP2 project, although there is a slight delay, as it is common in major contracts, but significant progress has been made to-date. Despite the challenges, we have **completed over 234 POP sites as of end May 2024** and are on track to complete the **1,542 POP sites by the end of Oct 2025** barring any major unforeseen circumstances.

Most times the reasons for the delay are due to unforeseen technical challenges, resource constraints and external dependencies for approvals/permits by the state One-Stop Agencies. We took immediate steps to mitigate its impact upon identifying the causes of delay.

We with our Partner, Apex Communications Sdn Bhd, have been continuously liaising with the relevant parties to expedite the approval process, reallocating resources, embarking on process improvement, enhancing project planning methodologies, and adjusting project timelines.



MSWG QUESTION 1.C

The Group's revenue soaring to RM115.2 million from RM40.3 million in FYE2022, propelled by substantial advancements in the Satellite-based network Services (SAT) segment's PoP2 Project. Despite a RM4.0 million goodwill impairment, the Group achieved a RM0.4 million profit after tax, signaling a significant turnaround from a RM0.9 million loss in the prior year (page 28 of Annual Report (AR) 2023).

c) What factors led to the RM4.0 million impairment loss on goodwill for the Group's subsidiary, PRIVASIA Sdn. Bhd in FYE2023?

Is there a possibility of this impairment being reversed in the future?

Goodwill is subject to annual review to determine whether there is any indication of impairment, in accordance with the requirements of MFRS 136 Impairment of Assets. Based on the prospect of future business operations, the Group estimates the cash generating unit's recoverable amount.

How the goodwill came about was during the reverse takeover exercise in 2009, a **goodwill was recognised as a result of acquisitions through business combinations**. Subsequent to that in financial year 2011, the total goodwill for the IT segment was realigned and allocated to PRIVASIA Sdn Bhd as it was the **main operating Cash Generating Unit of the segment during that period**.

As most of our order book are in other segments, the auditors have requested that a small impairment to be done on goodwill carried at the IT segment, based on impairment review the figure arrived at was RM4.0 million. Based on accounting standards, MFRS 136 Impairment of Assets, there is no avenue of this impairment being reversed in the future.



MSWG QUESTION 2.A

Revenue for the IT segment stood at RM27.8 million compared to RM26.2 million in the previous year. However, the rising cost of sales has resulted in an increase in segment losses to RM8.1 million as compared to RM3.1 million in the previous year (page 28 of AR2023).

a) What are the primary factors contributing to the increase in costs of sales within the IT segment, resulting in higher segment losses?

Please elaborate on the key areas where cost increases have been most significant.

The increase of RM5mil comprise of **increase in COS of RM3.2mil, OPEX of RM1.3mil and net impairment losses RM1.6mil offset by an increase in revenue RM1.3mil**. The increase in COS, mainly due to the demand for skilled talent such as LINUX/UNIX Engineer, Cybersecurity Engineer, Nutanix Engineer, and Middleware Engineer is rising, and in order to attract and retain the talent in these roles, higher compensation and benefits are being offered.

Apart, from that **inflation in IT sector is around 2.3%-2.5%** (source: MIDA) which is about the same as Malaysian inflation in 2023 of 2.49%, that has resulted in the increase in operating cost of business as well. The **adverse effect of the fluctuation of USD** has contributed significantly to the cost increase as most of our software licenses are paid in foreign currency.

In addition, the **cost of continuous maintenance of the IT infrastructure and equipment** has increased over the year. In 2023, for our outsourcing contract we had to incur upfront costs for licenses resulting in a steep increase in COS.

As for the overhead costs, there was a **provision of doubtful debts of RM1.34mil** made as part of prudence accounting treatment. And it is reversible if collected.



MSWG QUESTION 2.B

Revenue for the IT segment stood at RM27.8 million compared to RM26.2 million in the previous year. However, the rising cost of sales has resulted in an increase in segment losses to RM8.1 million as compared to RM3.1 million in the previous year (page 28 of AR2023).

b) What specific measures is the IT segment implementing to manage and reduce operational costs in response to the increased competition?

Also, what strategies are being pursued to strengthen the competitive position of the IT segment in the market?

Currently, we are in the midst of **renegotiating IT contracts** to cushion the effect of rising cost. We expect to sign the new contract by 3Q2024. We are also **streamlining processes through automation and digitalisation to improve efficiency, while managing cost.**

In addition, we are **exploring new revenue streams** to strengthen our competitive position. To date, as announced we have secured the **MOE leasing contract of RM42.09mil** which is a leasing model and a new revenue stream for the Group.



MSWG QUESTION 2.C

Revenue for the IT segment stood at RM27.8 million compared to RM26.2 million in the previous year. However, the rising cost of sales has resulted in an increase in segment losses to RM8.1 million as compared to RM3.1 million in the previous year (page 28 of AR2023).

c) The core IT products are PROCUREHERE (a Source-to-Pay digital procurement solution), FINANSHERE (a Syariah compliant supply chain financing platform), and i-TAP (an integrated Port Management Solution).

Please provide the revenue break down from each of the products to the IT business segments and which comes with the highest profit margin?

	REVENUE (RM)	GP%
i-TAP	1,661,705	33
PROCUREHERE	2,658,111	20
FINANSHERE	50,828	-471



MSWG QUESTION 3.A

The revenue of the ICT segment dropped from RM6.39 million to RM4.20 million. Correspondingly the ICT segment recorded a drop in segment losses from RM0.83 million to RM1.50 million in the current year (page 28 of AR2023).

a) Given the lower sales performance in the ICT segment, does the Group anticipate this trend to continue into FYE2024, especially considering the challenges in securing new revenue streams and controlling the very dynamic operating expenses?

Yes, we do see the trend to continue. The challenges in the ICT segment warrant careful consideration of business continuity for FYE2024. While the lower sales performance may indicate ongoing difficulties, it's essential to analyse current market conditions and operational strategies thoroughly.

Factors such as **securing new revenue streams and managing operating expenses in a dynamic environment** will be pivotal in shaping future outcomes.

It is worthwhile to note that the nature of our ICT business involves numerous small projects, which are time-consuming and have small profit margins. We are **restrategising our focus on long term contracts with fixed revenue base and servicing a selected client base.**



MSWG QUESTION 3.B

The revenue of the ICT segment dropped from RM6.39 million to RM4.20 million.

Correspondingly the ICT segment recorded a drop in segment losses from RM0.83 million to RM1.50 million in the current year (page 28 of AR2023).

b) What is the update on the FYE2023 contract to support the selected network facilities providers (NFP) to build their infrastructure for their in-building system for mobile coverage?

Additionally, what is the current progress on the long-term contract for the Site Management Partner awarded by DNB? How much is the contribution of these two projects to the ICT segment?

We are currently in the process of **billing and collecting payments from our Network Facilities Providers (NFP) partners for FYE2023**. At the same time, we are also actively putting in bids and working with private networks and NFP partners for potential projects in 2024.

As regards to the Site Management Partner project, we have **completed the project and are in the process of billing and collecting payments**.



MSWG QUESTION 4.A

In 2023, the Group invested RM0.54 million in developing new solutions, aiming to stay competitive amidst global and local advancements in connectivity and cloud technologies (page 29 of AR2023).

a) What specific new solutions has the Group developed?

Please provide detailed insights into their functionalities and relevance in the market.

To clarify, the investment of RM0.54mil was not in developing new solutions but in enhancing the existing solutions.

We have embarked on **enhancing and adding, new features and functionalities, leveraging Artificial Intelligence (AI) for our intellectual properties** - PROCUREHERE, FINANSHERE and iTAP. The common areas we have embarked on are:-

- ***To improve our data analytical capabilities using AI Generated data models.***
- ***To Automate repetitive processes using AI and Robotic Process Automation (RPA)***
- ***To improve our documentation captured and submission using Generative Artificial Intelligence (GenAI)***



MSWG QUESTION 4.B

In 2023, the Group invested RM0.54 million in developing new solutions, aiming to stay competitive amidst global and local advancements in connectivity and cloud technologies (page 29 of AR2023).

b) How does the Group anticipate these new solutions will impact its sales and profitability?

Are there specific market segments or customer needs these solutions target?

Based on the current customer base iTAP, PROCUREHERE and FINANSHERE serves, **Data Insights and Operational efficiency** are the most common requirement.

Primarily, customers are requesting **qualitative analysis of their usage patterns** to better qualify their business directions and investments. For example in PROCUREHERE, customers are expecting better analysis of their spending based on market trends and industry patterns.

In terms of Sales and profitability, we plan to extend these services as an **add-on service to the existing SAAS model**.



MSWG QUESTION 4.C

In 2023, the Group invested RM0.54 million in developing new solutions, aiming to stay competitive amidst global and local advancements in connectivity and cloud technologies (page 29 of AR2023).

c) What return on investment (ROI) is the Group expecting from the RM0.54 million investment in new solutions?

How does the Group measure ROI for such investments?

The users of these solutions are **recurring customers**, given that, we have to continuously improve the product features to meet the changing demands and stay abreast of the technology developments.

The Group is expecting to generate an **additional ROI of 10%-15%** from these investments per customers. The main objective would be to **increase the customer base and subscriptions for our IP.**



MSWG QUESTION 5

The cost of sales as a percentage of sales increased from 66.2% to 80.4% (page 71 of AR2023).

What are the major cost components or categories that have experienced significant changes?

Please provide a detailed breakdown of the components of cost of sales.

The major increase is from the Satellite Based Network segment which has **increased from 31% to 81%**.

SAT	2022 (RM)	2023 (RM)
SALARY	-	69,770
CONTRACTORS	2,301,279	66,928,619
DEPRECIATION-COGS	85,676	68,142

In addition, for some of the long term contracts, in the initial years there are upfront costs such as licenses. The **fluctuation of USD has also contributed to the increase**. We hope to recover the cost from an increase in contractual revenue.



MSWG QUESTIONS & ANSWERS

**SUSTAINABILITY
MATTERS**



MSWG QUESTION 1.A

The Group is migrating its on-site servers to Amazon Web Services (“AWS”) by 2025. AWS is extremely energy efficient and on a path toward empowering its operations with 100% renewable energy by 2040. This migration of on-premises servers to the cloud helps to offset PRIVASIA’s greenhouse gas emissions (page 16 of Sustainability Report (SR) 2023).

a) To date, how much progress has the Group made in migrating its on-site servers to AWS, and are they on track as planned?

The migration process commenced in Nov 2023 and from our Local Server room we have migrated a total of **6 on-premises servers to AWS Cloud services in May 2024.**



MSWG QUESTION 1.B

The Group is migrating its on-site servers to Amazon Web Services (“AWS”) by 2025. AWS is extremely energy efficient and on a path toward empowering its operations with 100% renewable energy by 2040. This migration of on-premises servers to the cloud helps to offset PRIVASIA’s greenhouse gas emissions (page 16 of Sustainability Report (SR) 2023).

b) What is the estimated total reduction in greenhouse gas (GHG) emissions that the Group anticipates achieving through the full migration of its on-site servers to AWS?

In 2022, Level 6 Energy Usage accounted for 24.87% of the Group's Total Energy Usage, with a total consumption of 65,117 kWh. Due to initiatives aimed at being more conscious of our energy usage, this decreased to 54,568 kWh in 2023, marking a significant **reduction of 10,549 kWh, or 16.2% compared to the previous year**. This reduction translates to a **decrease of 6.17 tCO2e/MWh** in greenhouse gas (GHG) emissions.

Our on-site server migration began in the fourth quarter of 2023. It is estimated that migrating our on-site servers to AWS could **potentially reduce up to 20% of Level 5’s Scope 2 emissions**.



MSWG QUESTION 2

Scope 3 – Employee Commute (ROAD) referring to all other indirect GHG emissions from employees travelling to and from their workplace has increased significantly from 81.8 TCO₂e in FYE2022 to 261.1 TCO₂e in FYE2023 (page 17 of SR2023).

Despite the Flexible Working Arrangement Policy stated on page 16 of SR2023 to reduce the carbon footprint, what factors contributed to this increase, and what strategies does the Group plan to mitigate the increase in Scope 3 emissions going forward?

We won the **POP2 project for Northern & Southern regions** which requires a lot of travelling to the site. This has been the **major contribution** beside that the nature of the overall business model for the Group is services which require travelling to the client sites.

While we put our best efforts into improving the Scope 3 emissions our **priority will always be in serving our business needs which include prospective and existing client meetings, ongoing site visits, operational demands, and efforts to forge business relationships.**



MSWG QUESTIONS & ANSWERS

**CORPORATE
GOVERNANCE
MATTERS**



MSWG QUESTION 1

Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG) states that the board comprises at least 30% women directors.

In FY2023, the board has two (2) female Directors, which was equivalent to 28.6% women representation. The board is supportive of gender diversity in the boardroom composition as recommend by MCCG and will endeavor to consider suitable and qualified female candidates for appointment to the Board in the future (page 32 of Corporate Governance (CG) Report 2024).

Given that Rachel Lau Jean Mei, Independent Non-Executive Director of the Company has resigned on 1 April 2024, the board now has only one female director which represents 16.67% of women representation on board.

Is the board actively seeking to appoint female directors presently? If yes, when is the estimated time for the appointment?

The Board strongly recognises the **importance of diversity, including gender diversity in our composition**. However, at this stage of our company, our main priority is to get the right people on the Board, with a **strong focus on expertise and skillsets that contribute significantly to enhancing the Board's overall value and effectiveness**.

As an alternative practice, our Board commits to reviewing its composition and size, once a year. This review is considering diversity in terms of skills, experience, cultural background, gender and age. We believe this approach aligns with the objective of Practice 5.9 by promoting diversity in a holistic manner. **We will continue our effort to identify suitable female directors to meet 30% women representatives**. The Board views the attainment of Board overall diversity as an ongoing process and shall remain steadfast in this commitment.



MSWG QUESTION 2

Practice 5.10 of the MCG stipulates that the board discloses in its annual report the company's policy on gender diversity for the board and senior management. The Board is collective opinion that there was no necessity to adopt formal gender diversity policy as the group is committed to provide fair and equal opportunities and nurturing diversity within the Group (page 33 of CG Report 2024).

Nonetheless, a formal policy allows the company to set specific targets for gender diversity in the board and senior management roles. It also facilitates regular monitoring and reporting on progress towards achieving these targets. This demonstrates proactive efforts to improve gender representation rather than relying solely on general commitments.

When does the Company intend to adopt Practice 5.10. to ensure that there are clear objectives, measures, and accountability mechanisms in place to achieve diversity goals?

We concur on the MCG practice recommendation.

A formal policy will indeed enable the setting of specific targets for gender diversity in both the board and senior management roles. It proactively measures not only the alignment to best practices in governance but also underscore our commitment to enhancing gender representation effectively. For the Board as explained in (1) above and as for the Senior Management we have 3 out of 10 as reported in our Annual Report.

We do not have a timeline but this **recommendation will be definitely taken into consideration as we continue to evaluate and enhance our corporate governance practices.**