

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

MINUTES OF THE FORTY NINTH ANNUAL GENERAL MEETING OF PEGASUS HEIGHTS BERHAD HELD AT GALLERY 2, LEVEL 1, CONCORDE HOTEL KUALA LUMPUR, NO. 2, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR, MALAYSIA ON THURSDAY, 13 JUNE 2024 AT 4.00 P.M.

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

In Attendance : Mr. Chin Wai Yi

Shareholders and Proxies : 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 Ninth Annual General Meeting (“**49th 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 a quorum was present pursuant to Clause 77 of the Constitution of the Company and declared the 49th 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 The Chairman informed the meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 49th AGM would be conducted by poll.

4.2 Pursuant to the Constitution of the Company, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the notice of the 49th AGM. The Chairman then informed the meeting that the Company had appointed Gap Advisory 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 informed that the meeting should go through all the motions and proceed with the polling process after the last motion has been tabled.

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4.4 At the invitation of the Chairman, the Company Secretary briefed the meeting on the polling procedures.

4.5 After the briefing on the polling procedure by the Company Secretary, the Chairman then proceeded with the agenda of the notice of the 49th AGM.

5.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 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 2023 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 2023 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.

5.3 The Chairman then invited Mr. Tiew Chee Ming, the Group Accountant, to present the Company's responses to the questions submitted by the Minority Shareholders Watch Group ("MSWG") prior to the 49th AGM, details of which were set out in Appendix A attached.

5.4 The Chairman then invited questions from the floor, to which there was none. The Chairman proceeded to declare that the Audited Financial Statements of the Company for the financial year ended 31 December 2023 be and hereby received.

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

6.1 The Chairman informed that Ordinary Resolution 1 is on the re-election of Dato' Sri Lee See Yang as Director retiring in accordance with Clause 105 of the Constitution of the Company, Dato' Sri Lee See Yang be retired from the Board and being eligible, offered himself for re-election. The Chairman then put the motion to the meeting for consideration.

**7.0 ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – ANDREW HO THO KONG**

7.1 The Chairman informed that Ordinary Resolution 2 is on the re-election of Andrew Ho Tho Kong as Director as Director retiring in accordance with Clause 105 of the Constitution of the Company, Andrew Ho Tho Kong be retired from the Board and being eligible offered himself for re-election. The Chairman then put the motion to the meeting for consideration.

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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. The Chairman then put the motion to the meeting for consideration.

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. The Chairman then put the motion to the meeting for consideration.

10.0 ORDINARY RESOLUTION 5

AUTHORITY UNDER SECTION 75 AND 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 49th 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 ten per cent (10%) of the issue share capital of the Company pursuant to Section 75 and 76 of CA 2016. The Chairman then put the motion to the meeting for consideration.

11.0 ANY OTHER BUSINESS

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

12.0 CLOSE OF REGISTRATION AND POLL

12.1 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.

12.2 The Chairman further conveyed that in his capacity as Chairman of the meeting, he has been appointed as proxy by some shareholders and will be voting in accordance with their instructions.

12.3 The Chairman declared the polling closed at 4.25 p.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 4.32 p.m. for the declaration of the results of the poll.

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RE-ELECTION OF DIRECTOR – DATO’ SRI LEE SEE YANG**

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

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
2,831,257,234	100.0000	0	0.0000

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

**14.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – ANDREW HO THO KONG**

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

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
2,831,257,234	100.0000	0	0

- 14.2 Based on the above result, the Chairman declared that the Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:
- 14.3 That Andrew Ho Tho Kong who retired pursuant to Clause 105 of the Constitution of the Company is hereby re-elected as a Director of the Company.

**15.0 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**

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

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
2,831,256,234	99,9999	1,000	0.0001

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

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

**16.0 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**

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

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
2,831,257,234	100.0000	0	0.0000

- 16.2 Based on the above result, the Chairman declared that the Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:
- 16.3 That the re-appointment of Messrs TGS TW PLT as Auditors of the Company is 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.

**17.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 5
AUTHORITY UNDER SECTION 75 AND 76 OF CA 2016 FOR THE DIRECTORS
TO ALLOT SHARES OR GRANT RIGHTS**

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

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
2,831,257,134	99.9999	100	0.0001

- 17.2 Based on the above result, the Chairman declared that the Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:
- 17.3 THAT pursuant to Section 75 and 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 ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

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17.4 That pursuant to Section 85 of the Companies Act 2016 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 Company's shares arising from any issuance of new Company's shares pursuant to Section 75 and 76 of the Companies Act 2016.

17.5 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 and That such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

18.0 CLOSURE OF MEETING

18.1 There being no other business, the Chairman, on behalf of the Board thanked all present for their attendance at the Meeting and declared the 49th AGM duly closed at 4.35 p.m.

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No.	Questions	Answers
1a.	<p>In 2023, the Group faced a multitude of challenges which led to increased costs across the board. (Page 4 of AR)</p> <p>Please name the multitude of challenges faced by the Group in FY 2023.</p>	<p>In FY 2023, the Group faced the weakening ringgit which led to rising material costs. In addition, the increase in TNB tariffs and labour constraints also contributed to the cost increase which also inadvertently led to shifting consumer behaviour.</p>
1b.	<p>Has the Group managed to overcome some or all the challenges faced by the Group in FY 2023? Please name the challenges the Group has overcome.</p>	<p>Despite these obstacles, the Group has made considerable progress in overcoming some of the challenges. A new anchor tenant was secured, resulting an increase in occupancy rate in Q2 2023 to 84.50%. In addition, the Group took decisive action by rationalizing loss-making divisions, thereby improving operational efficiency.</p>
1c.	<p>What is the Group's expected financial performance in FY 2024 after overcoming some or all the challenges faced by the Group last year?</p>	<p>FY 2024 continues to be challenging as demonstrated by the recent removal of the diesel subsidy. As the government continues to refine the existing subsidies, coupled with a weak ringgit, we expect operations to continue to face headwinds.</p>
2a.	<p>Although the property management ("PM") business unit recorded a lower revenue of RM7.04 million in FY 2023 as compared to RM7.33 million in FY 2022, a reduction of 3.9%, it however recorded a much higher loss before tax of RM1.2 million in FY 2023 as compared to a profit before tax of RM0.3 million. (Page 5 of AR)</p> <p>Please explain the reasons why PM incurred a higher loss before tax in FY 2023 compared to FY 2022.</p>	<p>PM recorded a higher loss before tax in FY 2023, due to a reversal of impairment on trade receivables amounting to RM1.5 million in Q4 2022. Stripping out the reversal, the loss before tax recorded under PM segment for FY 2023 remained approximately the same as FY 2022 at RM1.2 million.</p>
2b.	<p>What measures has the Group taken to mitigate PM's loss in FY 2024? Are these measures successful in terms of PM's financial performance as of the end of May 2024?</p>	<p>The group is looking forward in improving the occupancy rate for the mall which would in turn increase the revenue of the Group. There are some new tenants who commenced in Q2 2024, which is expected to further improve the yield and tenants mix of the mall.</p>

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No.	Questions	Answers																				
3a.	<p>The Group's shopping mall occupancy rate increased from 58.5% at the end of 2022 to 83.4% as at end of 2023, attributable to the opening of an anchor tenant. (Page 6 of AR)</p> <p>Please provide the name of the anchor tenant.</p>	<p>The new anchor tenant is Best Fresh Mart.</p>																				
3b.	<p>What is the rental income per annum from the anchor tenant and the tenancy period?</p>	<p>The Company is unable to disclose the rental income per annum from the anchor tenant and the tenancy period as it is considered price sensitive.</p>																				
3c.	<p>Has the footfall in the shopping mall increased as a result of the anchor tenant? If yes, what is the percentage term increase as compared to without this anchor tenant. If not, why?</p>	<p>The footfall has increased by approximately 35-45% since the commencement of the new anchor tenant's business in April 2023.</p> <table border="1" data-bbox="743 168 873 1108"> <thead> <tr> <th colspan="2">Before Best Fresh Mart</th> <th colspan="2">After Best Fresh Mart</th> </tr> <tr> <th>Month</th> <th>February 2023</th> <th>March 2023</th> <th>April 2023</th> </tr> </thead> <tbody> <tr> <td>Traffic in (headcount)</td> <td>93,000</td> <td>97,000</td> <td>129,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>May 2023</td> </tr> <tr> <td></td> <td></td> <td></td> <td>134,000</td> </tr> </tbody> </table>	Before Best Fresh Mart		After Best Fresh Mart		Month	February 2023	March 2023	April 2023	Traffic in (headcount)	93,000	97,000	129,000				May 2023				134,000
Before Best Fresh Mart		After Best Fresh Mart																				
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4.	<p>Project Management consultancy ("PMC") revenue has experienced a significant drop of approximately 41.6% to RM2.15 million in FY 2023 as compared to RM3.68 million in FY2022. The management has taken proactive measures to mitigate losses by downsizing the division and concurrently looking for new avenues for growth. (Page 7 of AR)</p> <p>What are PMC's new avenues stream, and have they helped PMC return to profitability or reduce losses further in FY 2024?</p>	<p>Currently, PMC has no new projects in the pipeline. The strategy is to minimize overheads and adopt a wait and see stance.</p>																				

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No.	Questions	Answers												
5.	<p>The increase in electricity tariffs is likely to have a negative impact on the mall operations. (Page 9 of AR)</p> <p>What actions the Company has taken to mitigate the hike in electricity tariffs on the mall?</p>	<p>The increase of electricity tariff is not within the management's control. Some of the mitigating factors have already been undertaken such as the utilization of LED lights, smart escalators and tight monitoring of water usage and leakage.</p>												
6a.	<p>The rental income from investment properties was RM4.57 million and the direct operating expenses from income generating investment properties was higher at RM4.71 million. (Page 111 of AR).</p> <p>Why the direct operating expenses from the income generating investment properties are higher than the rental income in FY 2023?</p>	<p>The rental income specified in page 111 of AR excludes the utilities charged to the tenants. The total revenue from PM including utilities back charged to tenants and other services was RM7.04 million which is higher than the direct operating cost (including utilities amounting RM3.5 million).</p>												
6b.	<p>What actions have the Group taken to reduce the high direct operating expenses from the income-generating investment properties?</p>	<p>Beside the action taken explained in question 5. The management had always source for multiple quotation from different service provider to ensure the fees charged are within reasonable market rate.</p>												
6c.	<p>What is the number of tenants and the average rental income reversion rate for FY 2023 as compared to FY 2022?</p>	<p>You may refer to the table below for the information requested:</p> <table border="1" data-bbox="997 386 1162 1094"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> <th>Difference (%)</th> </tr> </thead> <tbody> <tr> <td>Number of Tenants</td> <td>40</td> <td>38</td> <td>(5.0)</td> </tr> <tr> <td>Annual Rental Income (RM'000)</td> <td>4,722*</td> <td>4,569</td> <td>(3.2)</td> </tr> </tbody> </table> <p>note (*): This rental charge amount excluded the double rent charge on our ex-anchor tenant for the period they occupied our unit after the breach of agreement, amounting to RM0.59 million</p>		2022	2023	Difference (%)	Number of Tenants	40	38	(5.0)	Annual Rental Income (RM'000)	4,722*	4,569	(3.2)
	2022	2023	Difference (%)											
Number of Tenants	40	38	(5.0)											
Annual Rental Income (RM'000)	4,722*	4,569	(3.2)											
7a.	<p>The percentages of employees who have received training on anti-corruption were high, 100% each for Senior Management (including EDs and C-suite) and Middle Management.</p>	<p>During the anti-corruption course held in FY 2023, there were limited slots available and therefore the Group gave priority to the directors and senior management.</p>												

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No.	Questions	Answers
7b.	<p>However, Executives and Non-Executives percentages were 12.5% and 0%, respectively. (Page 15 of AR)</p> <p>Please explain why Executives and Non-Executives have low percentages of anti-corruption training as compared to senior staff.</p>	<p>The Company will be arranging for more anti-corruption training and expects the percentage of completion for both Executives and Non-Executives to be 100% in FY 2024.</p>
8.	<p>The Group has not adopted Practice 1.4 of the Malaysian Code of Corporate Governance (“MCCG”), which states that the board’s Chairman should not be a member of the Audit, Nomination or Remuneration Committees.</p> <p>Guidance G1.4 states: Having the same person assume the positions of Chairman of the board, and Chairman of the Audit Committee, Nomination Committee or Remuneration Committee gives rise to the risk of self-review and may impair the objectivity of the Chairman and the board when deliberating on the observations and recommendations put forth by the board committees. Thus, the Chairman of the board should not be involved in these committees to ensure there is check and balance as well as objective review by the board.</p> <p>The Independent Non-Executive Chairman, Dato’ Abdel Aziz @ Abdul Aziz bin Abu Bakar is a member of the Audit, Nomination and Remuneration Committees. His presence in</p>	<p>Due to the size of the Group, we have not adopted practice 1.4 of the Malaysian Code of Corporate Governance at this juncture. With Dato’ Abdel Aziz @ Abdul Aziz bin Abu Bakar’s experience in chairing a board, the board is of the opinion that the Group would be able to benefit from his knowledge and leadership in all the committees that he is currently involved in. In addition, the board also had not found any matter that gives rise to self-review risk and impair the objectivity of the Chairman and the Board. This is determined through the annual assessment completed by the board in the prior years. Nonetheless, when opportunity arise and suitable candidates have been identified, the Group will adopt the said practice.</p>

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No.	Questions	Answers
	these meetings could impair the objectivity and independence of the board committees. Does the Board plan to adopt Practice 1.4 to further enhance the independence and objectivity of the board committee?	