

PESTECH INTERNATIONAL BERHAD
(**"PESTECH"** or **"the Company"**)
(Company No. 948035-U)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT ZAMRUD ROOM, GROUND FLOOR, THE SAUJANA HOTEL KUALA LUMPUR, JALAN LAPANGAN TERBANG SAAS, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 23 NOVEMBER 2017 AT 10:00 A.M.

Total number of shareholders present : 96 shareholders
Total number of proxy present : 117 proxies

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

The Shareholders received the Audited Financial Statements for the financial year ended ("**FYE**") 30 June 2017 together with the Reports of the Directors and the Auditors thereon.

2. SUMMARY OF KEY MATTERS DISCUSSED AT THE MEETING

The following were the key matters discussed during the meeting:-

1. Financial impact on the Company as Malaysian Ringgit has strengthening against United States Dollar ("**USD**")

The Company's foreign contracts are denominated in USD and the Company has secured hedging facilities to mitigate the foreign exchange risk exposure.

2. The competitive edge of PESTECH over other competitors in the power transmission business.

The Company has been in the power transmission industry since year 2007 and had accustomed itself to the competitive environment. PESTECH is very well geared to continue strengthening its position in the region and poised to be very resilient to challenges.

3. Plans to reduce loans and borrowings as liabilities of the Company had increased significantly compared to last financial year.

That approximately USD67.4 million of borrowings was utilized to finance Diamond Power Ltd. ("**DPL**") concession project and the said project had commissioned in October 2017, whereas other borrowings are mainly project financing. The Company's borrowings level is manageable vis-a-vis its cash flow position.

4. Potential impact on the Company's investment in Cambodia in light of the current political issues in Cambodia and the progress of the DPL's concession project.

The Company had successfully commissioned the DPL's substation on 30 October 2017. In relation to the political issue in Cambodia, the Chairman commented that political issues are unavoidable in every country. In mitigation, the Company has procured political risk insurance for its investment in Cambodia.

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5. The total Capital Expenditure ("CAPEX") spent on DPL's concession project and the way of Company generate revenue from the DPL's concession project.

The CAPEX for DPL project is approximately RM334 million which was financed via internally-generated fund and bank borrowings. The DPL's concession project offers a guaranteed recurring income over 25 years which would contribute a revenue of RM16 million to RM20 million per year to the Company's bottom-line from 2020 onwards.

6. Updates on the rail electrification business

That the Company had secured the rehabilitation works of Klang Valley Double Track and Subang Skypark Rail Electrification. This has opened door for the Company to participate in future Keretapi Tanah Melayu's rehabilitation works and future extension of Light Rail Transit and Mass Rapid Transit projects in the country. Beyond home turf, there are great potentials for such market as well in the ASEAN region and these two (2) rail electrification contracts should serve as strong reference point in PESTECH's resume.

7. Reason on the decrease of net assets per share as compared to last financial year

The reason was due to the increase of the number of issued shares capital of the Company that caused dilution to the net assets per share.

8. Possibility of bad debts in trade receivables

The Company has not recorded bad debts over the years and the Management would closely monitor on the trade receivables of the Company.

3. APPROVAL OF RESOLUTIONS

The Meeting resolved and approved the following resolutions at the Meeting by way of poll:-

ORDINARY RESOLUTION 1

- APPROVAL OF THE PAYMENT OF DIRECTORS' FEES OF RM134,673/- FOR THE FYE 30 JUNE 2017 AND DIRECTORS' BENEFITS OF RM16,000/- FOR THE PERIOD FROM 31 JANUARY 2017 TO 30 JUNE 2017

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100.00
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

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ORDINARY RESOLUTION 2

- APPROVAL OF THE PAYMENT OF DIRECTORS' FEES FOR AN AMOUNT UP TO RM220,000/- WHICH IS PAYABLE ON QUARTERLY BASIS AND DIRECTORS' BENEFITS UP TO RM80,000/- TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD COMMENCING FROM 1 JULY 2017 UP TO THE NEXT ANNUAL GENERAL MEETING

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	485,731,056	97.86
Against	10,607,400	2.14
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

ORDINARY RESOLUTION 3

- RE-ELECTION OF MR. LIM AH HOCK AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 95 OF THE COMPANY'S ARTICLES OF ASSOCIATION

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100.00
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

ORDINARY RESOLUTION 4

- RE-ELECTION OF MR. LEE TING KIAT AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 101 OF THE COMPANY'S ARTICLES OF ASSOCIATION

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100.00
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

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ORDINARY RESOLUTION 5

-RE-APPOINTMENT OF MESSRS. SJ GRANT THORNTON AS THE COMPANY'S AUDITORS FOR THE ENSUING YEAR AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100.00
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

ORDINARY RESOLUTION 6

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	486,511,456	98.02
Against	9,827,000	1.98
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

ORDINARY RESOLUTION 7

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RRPT OF A REVENUE OR TRADING NATURE

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	111,149,456	100.00
Against	-	-
TOTAL	111,149,456	100.00
Abstained	385,189,000	-
Not Indicated	-	-

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ORDINARY RESOLUTION 8

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE ISSUED SHARE CAPITAL OF THE COMPANY

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

ORDINARY RESOLUTION 9

- PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY ("PESTECH SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT PLAN OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF THE COMPANY WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN PESTECH SHARES

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	496,338,456	100.00
Against	-	-
TOTAL	496,338,456	100.00
Abstained	-	-
Not Indicated	-	-

TERMINATION

The Meeting concluded at 11:05.a.m.