

## **EFFICIENT E-SOLUTIONS BERHAD**

Registration No. 200301030059 (632479-H)  
(Incorporated in Malaysia)

Minutes of the Twentieth Annual General Meeting (“20th AGM” or “Meeting”) of Efficient E-Solutions Berhad (“Efficient” or “Company”, and references to “Group” are to Efficient and its subsidiaries) duly convened and held at Auditorium, Efficient Building, No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 28 June 2023 at 10:00 a.m.

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|----------------------|---|
| Present:             | <u>Members of the Board</u><br>Dato’ Abdul Latif bin Abdullah ( <i>Chairman</i> )<br>Victor Cheah Chee Wai<br>Dato’ Robiah Binti Abdul Ghani<br>Voong Kian Yee  |
| Absent with apology: | Cheah Chee Kong<br><br><u>Shareholders &amp; Proxy holders</u><br>As per attendance lists   |
| By Invitation:       | Ms Rachel Tan Chiew Lan ( <i>Group Finance Manager</i> )<br>Gavin Foo Tun Xiang ( <i>Russell Bedford LC PLT</i> )<br>Jennifer Lew Chui Hoong ( <i>Russell Bedford LC PLT</i> )<br>Venus Wong Xue Qi ( <i>Russell Bedford LC PLT</i> ) |
| In Attendance:       | Tan Kean Wai ( <i>Company Secretary</i> )   |

### **WELCOME ADDRESS**

The Chairman presided over the Meeting and welcomed the members, proxy holders and invitees to the 20<sup>th</sup> Annual General Meeting of the Company.

### **QUORUM**

With the quorum being present pursuant to the Company’s Constitution, the Chairman called the meeting to order and the meeting proceeded to business.

### **NOTICE OF MEETING**

The Notice of 20th AGM dated 28 April 2023, having been given to shareholders in accordance with the provisions of the Companies Act 2016 and the Constitution of the Company within the prescribed period, was taken as read.

The Chairman informed the shareholders that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Meeting are to be decided by poll. The Company has appointed the share registrar, Messrs. Boardroom Share Registrar Sdn. Bhd. as the poll administrators to conduct the voting process and Messrs. Coresec PLT as the independent scrutineers to validate the votes cast at the Meeting. The Company Secretary explained the procedures of the poll voting process for the shareholders’ information.

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**TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman proceeded with the 1<sup>st</sup> item of the Agenda, which was to receive and adopt the audited financial statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.

The Chairman informed the shareholders that, as item 1 of the agenda was meant for discussion only and pursuant to Section 340(1)(a) of the Companies Act 2016 ("Act"), it does not require shareholders' approval of the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at the Annual General Meeting and henceforth this item was not put forward for voting.

Ms Rachel Tan assisted the Chairman in presenting the Board's replies to the issues and queries raised by the Minority Shareholders Watch Group ("MSWG") in their letter dated 21 June 2023, via presentation slides. The Board's replies to MSWG as annexed hereto as "Annex A" would also be posted on the website of the Company after the conclusion of the Meeting.

Thereafter, the Chairman opened the Question & Answer session to the floor for any further questions. The members present were invited to raise any question they might have concerning the Reports and Financial Statements.

There being no question raised by the members present, the Audited Financial Statements for the financial year ended 31 December 2022 and, in accordance with the Act, were properly laid and received be and is hereby adopted.

**ORDINARY RESOLUTION 1**

**TO APPROVE THE DIRECTORS' BENEFITS OF UP TO RM280,000.00 WITH EFFECT FROM 29 JUNE 2023 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

The Chairman informed the members that the 2<sup>nd</sup> item in the Agenda was to approve the directors' benefits of up to RM280,000.00 with effect from 29 June 2023 until the next Annual General Meeting of the Company.

Moved :        Tan Jun Yan  
Seconded :    Wong Chee Ling

The shareholders casted votes and the results were as follows:-

- i)    283,385,700 shares (representing 100.00% present) voted in favour of the resolution;  
      and
- ii)   None against the resolution.

The following resolution was unanimously approved and carried as an Ordinary Resolution:

Resolved:

THAT the payment of Directors' Benefits of up to RM280,000.00 with effect from 29 June 2023 until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.

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**ORDINARY RESOLUTION 2  
TO RE-ELECT MR. VOONG KIAN YEE, THE DIRECTOR RETIRED IN ACCORDANCE  
WITH CLAUSE 86.1 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the members that the 3<sup>rd</sup> item in the Agenda was to re-elect Mr Voong Kian Yee who retired in accordance with Clause 86.1 of the Company's Constitution, being eligible, offered himself for re-election.

Moved : Khoo Kwee Loo  
Seconded : Lee Swee Ching

The shareholders casted votes and the results were as follows:-

- i) 283,385,600 shares (representing 100.00% present) voted in favour of the resolution;  
and
- ii) 100 shares (representing 0.00% present) voted against the resolution.

The following resolution was majority approved and carried as an Ordinary Resolution:

Resolved:

THAT the Director, Mr Voong Kian Yee retiring in accordance with Clause 86.1 of the Company's Constitution be and is hereby re-elected Director of the Company.

**ORDINARY RESOLUTION 3  
TO RE-ELECT DATO' ROBIAH BINTI ABDUL GHANI, THE DIRECTOR RETIRED IN  
ACCORDANCE WITH CLAUSE 86.1 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the members that the next item in the Agenda was on the re-election of Dato' Robiah Binti Abdul Ghani who retired in accordance with Clause 86.1 of the Company's Constitution, being eligible, offered herself for re-election.

Moved : Lee Chen Luan  
Seconded : Tan Wei Su

The shareholders casted votes and the results were as follows:-

- i) 283,385,700 shares (representing 100.00% present) voted in favour of the resolution;  
and
- ii) None against the resolution.

The following resolution was unanimously approved and carried as an Ordinary Resolution:

Resolved:

THAT the Director, Dato' Robiah Binti Abdul Ghani retiring in accordance with Clause 86.1 of the Company's Constitution be and is hereby re-elected Director of the Company.

**ORDINARY RESOLUTION 4  
TO RE-APPOINT MESSRS. RUSSELL BEDFORD LC PLT AS AUDITORS OF THE  
COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman informed the members that the retiring Auditors, Messrs. Russell Bedford LC PLT, have expressed their willingness to continue in office.

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Moved : Ng Geok Khiam  
Seconded : Loh Sheau Lei

The shareholders casted votes and the results were as follows:-

- i) 283,385,700 shares (representing 100.00% present) voted in favour of the resolution;  
and
- ii) None against the resolution.

The following resolution was unanimously approved and carried as an Ordinary Resolution:

Resolved:

THAT Messrs. Russell Bedford LC PLT be and are hereby re-appointed Auditors of the Company for the ensuing year and that the Directors be authorised to determine their remuneration.

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 5**

**APPROVAL FOR ALLOTMENT OF SHARES OR GRANT OF RIGHTS**

The Chairman informed the members that the passing of the Resolution 5 would empower the Directors of the Company to issue and allot shares up to 10% of the share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. With the authority, it would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares for fund raising activities, including but not limited to placing of shares for the purpose of funding current and/or future investment project(s), working capital, Operational expenditure, repayment of bank borrowings and/or strategic opportunities involving equity deals and/or so forth which may require the Company to allot and issue new shares on urgent basis.

Moved : Lim Choon Chai  
Seconded : Tan Jun Yan

The shareholders casted votes and the results were as follows:-

- i) 283,385,700 shares (representing 100.00% present) voted in favour of the resolution;  
and
- ii) None against the resolution.

The following resolution was unanimously approved and carried as an Ordinary Resolution:

Resolved:

THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA2016"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the approval(s) of the relevant regulatory authorities, where such approval(s) is required, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot and issue shares in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and to make or grant offers, agreements or options which would or might require shares to be allotted and issued, after the expiration of the approval hereof, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem

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fit, provided that the aggregate number of such additional shares to be allotted and issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted and issued on the Bursa Malaysia Securities Berhad.

THAT pursuant to Section 85 of the CA2016 read together with Clause 10 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights 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 Sections 75 and 76 of the CA2016.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

**ORDINARY RESOLUTION 6****PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO ENABLE EFFICIENT E-SOLUTIONS BERHAD TO PURCHASE UP TO 10% OF ITS ISSUED AND PAID-UP SHARE CAPITAL**

The Chairman informed the members that the passing of the Resolution 6 would empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company.

Moved : Lee Swee Ching

Seconded : Lee Chen Luan

The shareholders casted votes and the results were as follows:-

- i) 283,385,700 shares (representing 100.00% present) voted in favour of the resolution;  
and
- ii) None against the resolution.

The following resolution was unanimously approved and carried as an Ordinary Resolution:

Resolved:

THAT subject to all the applicable laws and regulations, the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the issued and paid-up share capital of the Company; and the funds allocated for the purchase of shares shall not exceed its retained profits for the time being.

THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled).

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THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the aforesaid share buy-back in the best interest of the Company.

**TO TRANSACT ANY OTHER BUSINESS**

The Meeting noted that there was no notice received for transacting any other ordinary business.

**TERMINATION**

There being no other business, the meeting terminated at 10:47 a.m. with a vote of thanks to the Chair.

Signed as a correct record,



**DATO' ABDUL LATIF BIN ABDULLAH**  
Chairman

Date: 03 August 2023



**EFFICIENT E-SOLUTIONS BERHAD**

**20<sup>th</sup> Annual General Meeting**

**Questions from MSWG**

DATE: WEDNESDAY, 28<sup>TH</sup> JUNE 2023

**Questions from MSWG & Answers – Operational & Financial Matters**

Q1. On 19 February 2023, Bursa Securities granted Efficient an extension of time up to 30 June 2023 to submit its 2022 Annual Report to Bursa Securities in compliance with the Listing Requirements of Bursa Securities (page 8 of Annual Report (AR) 2022).

a. What is the progress of the Company's regularizations plan to revive its business activities?

Answer: The Company had on 26 June 2023 announced the regularization plan, which consists of the following exercise:  
 1. Efficient and its subsidiaries ("Efficient Group" or the "Group") has been continuously improving its records management and processes (in particular the cybersecurity and data protection) which is the foundation of the business operations of the Group and a recurring effort by the Company to improve the operations of these 2 pillars of core functions ("Data Restructuring")

ii. on 27 February 2023, Efficient Storage Solutions Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with Daungeo (M) Sdn Bhd ("Daungeo") for the acquisition of the records management and storage services contracts and agreements between Daungeo and its customers and the assets including 2 sets of mezzanine stacking storage warehouse, 2 units of industrial label printer, 10 units of barcode scanner, 3 units of ladder, 1 unit of straddler and 7 units of trolley for a total cash consideration of RM1,000,000 ("Daungeo Acquisition").

**Questions from MSWG & Answers – Operational & Financial Matters**

Answer:

ii. on 28 February 2023, Efficient had entered into a conditional share sale agreement with Lim Choon Chai and Lim Kui Tin ("FCS Vendors") for the acquisition of 50,000 ordinary shares in FCS International Sdn Bhd ("FCS"), representing 100% equity interest in FCS from the FCS Vendors for a purchase consideration of up to RM1,000,000 to be satisfied via a combination of RM5,000,000 in cash and RM3,000,000 via cash and/or the issuance of new ordinary shares in Efficient ("Efficient Share(s)" or "Share(s)") at an issue price to be determined later ("FCS Acquisition"); and

iv. the acquisition of 4,200,000 ordinary shares in Regalis Records Management Sdn Bhd ("Regalis"), representing the remaining 70% equity interest in Regalis from Spektrum Sdn Bhd for a purchase consideration of RM52,500,000 to be satisfied via a combination of RM18,500,000 in cash and RM34,000,000 via the issuance of 170,000,000 new Efficient Shares at an issue price of RM0.20 per Efficient Share ("Proposed Regalis Acquisition").

**Questions from MSWG & Answers – Operational & Financial Matters**

b. Has the Company submitted the regularization plan to the relevant authorities for approval and what is the timeline to complete implementation of the plan?

Answer: The Company plan to submit regularization plan by 2<sup>nd</sup> quarter 2023.

Estimated timeline as follow:

| Timeline            | Event   |
|---------------------|---|
| 2nd quarter of 2023 | <ul style="list-style-type: none"> <li>Submission of the Proposed Regularization Plan to Bursa Securities</li> </ul>  |
| 4th quarter of 2023 | <ul style="list-style-type: none"> <li>Approval from Bursa Securities</li> </ul>  |
| 1st quarter of 2024 | <ul style="list-style-type: none"> <li>EDA for the Proposed Regalis Acquisition (which forms part of the Regularization Plan)</li> <li>Finalisation of conditions precedent of the Regalis SSA</li> <li>Completion of the Proposed Regularization Plan</li> </ul> |

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**"Annex A"**

Questions from MSWG & Answers – Operational & Financial Matters

Q2. The Company has entered into a sales agreement to acquire FCS International which offers scanning, digitizing, and information management solutions. This acquisition aligns with the Company's document archiving activities and is expected to enhance financial performance (page 8 of AR 2022). What is the expected timeline for the integration of FCS International into Efficient's operations, and when can the financial benefits be realized?

Answer:

Efficient has taken management control of FCS International in March 2023 in accordance with the Share Sales Agreement dated 29 February 2023 and Efficient has incorporated FCS International's financial result to the Group's 1<sup>st</sup> quarter 2023 financial result.

Questions from MSWG & Answers – Operational & Financial Matters

Q4. The Company's Other Receivables balance was RM4.66 million in FY2022 and the allowance for impairment losses on Other Receivables was RM4.5 million in FY2022 (FY2021: RM14.5 million) (page 99 of AR 2022).

a) Please provide the components of Other Receivables that have the impairment losses.

Answer:

The impairment loss was due to payment made for subscription of preference shares in an unquoted company in 2014 which was classified as financial assets at amortized cost (other receivables).

b) What were the reasons for the huge impairment losses?

Answer:

In 2015, the above-mentioned subscription was fully impaired due to low recoverability.

Questions from MSWG & Answers – Operational & Financial Matters

Q3. Administration and operating expenses have increased by 22% from RM10.8 million in FY2021 to RM13.2 million in FY2022 (page 47 of AR 2022).

What are the reasons for the higher increase in expenses?

Answer:

The increase was mainly due to

- a) talent acquisition (new recruitment) for cybersecurity business segment
- b) payroll cost
- c) Professional fees due to engagement of advisers for regularization plan and due diligence exercises.
- d) Depreciation due to additional capex to increase the storage capacity for records management segment.
- e) increase in withholding tax due to increase in solutions subscription.

Questions from MSWG & Answers – Operational & Financial Matters

Q4. The Company's Other Receivables balance was RM4.66 million in FY2022 and the allowance for impairment losses on Other Receivables was RM4.5 million in FY2022 (FY2021: RM14.5 million) (page 99 of AR 2022).

c) What are the measures taken by the Company to ensure that the impairment losses on Other Receivable do not increase further?

Answer:

The subscription was fully impaired in 2015. Since then, there's no impairment on other receivables. Current other receivables mainly consist of prepayment and deposits for business operations.

d) To-date, how much of the impaired Other Receivables have been recovered?

Answer:

None

Questions from MSWG & Answers – Operational & Financial Matters

**Q5. In FY 2022's reporting period under Note 15.2 impairment of investment in subsidiaries, cash flow projections from a two-year period were used to determine the recoverable amount, while in the previous reporting period, projections from an eight-year period were used (page 93 of AR 2022).**

**Please explain the rationale behind the decision to shorten the projection period in the current reporting period and the impact it had on the determination of the recoverable amount for the investments in the IT services segment.**

**Answer:**

In 2021 subsidiary involved started to make profit. In 2022, the subsidiary was making a steady growth in revenue and contributed to a positive bottom line by securing more contracts with higher contract value and tenure. Based on the projections of 2 years assessment it was sufficient to recover the cost of investment on the assumption the subsidiary continue to growth steadily.

Thank You

Questions from MSWG & Answers – Corporate Governance Matters

**Q6. Under Practice 8.9 of the Malaysian Code of Corporate Governance, it is stipulated that the Board should have a minimum of 17% female representation. The Company has acknowledged this disparity and expressed its commitment to promoting gender diversity by planning to appoint a female director in the future (page 25 of the CG Report 2022).**

**What is the progress in identifying suitable candidates? How many candidates were interviewed and shortlisted?**

**Answer:**

Presently, the Company is in compliance with Paragraph 15.02(1)(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires Efficient to have at least 1 woman director on the Board.

Also, the Board is mindful of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector.

Nevertheless, the Board takes cognisance of the recommendations of the Malaysian Code of Corporate Governance 2021 and shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise. The Company will make further announcement(s) to update on the subject matter as and when appropriate.

