

THETA EDGE BERHAD

Registration No. 199301005265 (260002-W)

MINUTES of the Thirty-First Annual General Meeting (“31st AGM”) of the Company conducted on a virtual basis through live streaming from the Broadcast Venue at Theta Edge Berhad’s Headquarters, Lot 11B, Jalan 223, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan and online platform of TIIH Online at <https://tiih.online> with Remote Participation and Voting facilities on Wednesday, 26 June 2024 at 10.00 a.m.

PRESENT

The Board of Directors

: Tengku Dato' Seri Hasmuddin Tengku Othman (Chairman)
: Encik Zainal 'Abidin Abd Jalil
: Puan Latifah M.Daud
: Encik Azih Yusof
: Encik Adam Malik Azlan
: Tuan Syed Osman AlHaddad Syed Mohamed

ABSENT

WITH : Cik Shahrin Oli Mohamed

APOLOGIES

Shareholders, Proxies & Invitees

: As per Attendance List

IN ATTENDANCE

: Puan Irene Chew (Secretary)
: Puan Yuen Yoke Ping

1.

The Chairman welcomed the shareholders to the Company's virtual 31st AGM and upon confirming the presence of a quorum pursuant to Clause 72 of the Company's Constitution, duly called the meeting to order at 10.00 a.m. He commenced the proceedings with a recitation of the surah Al-Fatihah.

He thereafter introduced the members of the Board, the Group Chief Executive Officer, Company Secretary, Management and External Auditors who joined the Meeting.

The Chairman informed that Cik Shahrin Oli Mohamed was not able to join the Meeting as she is away performing her Holy Pilgrimage.

2.

There being no objection, the notice convening the meeting dated 30 April 2024 and the addendum to the notice dated 30 May 2024, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, were taken as read.

The Chairman reported that the Company had received 43 valid proxies representing 43.38% of the Company's total number of issued shares.

3. VOTING OF RESOLUTIONS AT THE MEETING

The Chairman informed that voting for all resolutions as set out in the notice and addendum to the notice of the 31st AGM will be carried out by poll in line with Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements. Scrutineer Solutions Sdn Bhd, an independent scrutineer has been appointed to validate the votes and Tricor Investor & Issuing House Services Sdn Bhd (Tricor) has been appointed as the Poll Administrator.

The Chairman thereafter invited Tricor to brief on the online e-voting process and how questions may be raised at the meeting through the RPV application via a video presentation.

The Shareholders were informed that all the resolutions proposed at the AGM require a simple majority or more than 50% of the total voting rights of the shareholders who are entitled to vote at the Meeting.

Next, the Chairman informed the Shareholders that the voting session is opened and online casting can be submitted by the shareholders and proxies at any time hereafter until the closure of the voting session which will be notified to all shareholders/proxies.

He further informed that the shareholders may raise questions in real time by transmitting the question in the query box until the announcement on the closure of Q&A session and the Company will respond to the questions accordingly after all the Resolutions have been tabled. For questions which are related or similar in nature, we will group the questions and provide a single response.

4. PRESENTATION BY MANAGEMENT

The Chairman invited Datuk Nuraslina Zainal Abidin (Datuk Nuraslina), the Group Chief Executive Officer and Encik Ahmad Nazri (Encik Nazri), the Group Chief Financial Officer to give their presentations on the Group's performance for the financial year ended 2023.

The presentations encompassed the following:-

Key Performance Highlights

Datuk Nuraslina took the Shareholders through the overview of the Group's Financial Performance. For financial year ended 31 December 2023 (FY2023), the Group recorded a revenue of RM144.3 million, Gross Profit of RM31.8 million and Profit After Tax of RM9.3 million. In recognition of the Shareholders' support, the Board proposed a first and final dividend of RM0.01701 per ordinary share which amounted to approximately RM2 million.

On non-financial highlights, the Group has achieved several key progress in the following areas:-

(i) Competency Building

The Company had signed Memorandum of Understanding with the following parties:-

- (a) Cybernetica AS for cybersecurity related competencies;
- (b) Nova MSC Berhad for e government platform delivery; and
- (c) KEC International Limited and KEC International (Malaysia) Sdn Bhd for power grid and CME related skill sets.

(ii) Product Development

Several innovation initiatives driven by product development have been successfully completed. The Company had successfully completed the development of (a) cloud-based Hajj Management System; (b) Digital Payment Platform (SakuPay); (c) Digital Masjid Solution (eMasjid) and (d) Cloud Base Accounting System (Qalca).

(iii) Project Achievement

The Company has delivered (a) 95% of the Telecommunication tower infrastructure (JENDELA Phase I) and (b) the Land Management System (e-Tanah) project for Melaka. The Company has delivered ahead of time more than 6,000 computers to more than 800 locations in Selangor under the Ministry of Education “Peranti Guru” Project.

(iv) Recognitions were received in transforming Theta Edge in 2023. The awards and recognition received were Malaysia Excellence Technology Awards, for our flagship product (Land Management System) and Malaysia Best Employer Brand Award 2023.

(v) Next, Datuk Nuraslina gave a briefing on the business performance by sectors as follows:-

Telecommunication		Technology
RM82.2 million	* Revenue	RM62.1 million
RM10.1 million	* Gross Profit	RM21.7 million
<ul style="list-style-type: none"> • WEBE (Civil Mechanical Engineering Services and Microwave) • Celcom (Fiberisation) 	<ul style="list-style-type: none"> Key Project Delivered/Ongoing 	<ul style="list-style-type: none"> • Accountant General & States Treasury (iSPEKS) • Lembaga Zakat Selangor (Laptop Leasing)

<ul style="list-style-type: none"> • Telekom Berhad (Broadband Fiberisation) • Tenaga Nasional Berhad (Advanced Metering Infrastructure) 		<ul style="list-style-type: none"> • Jabatan Kebajikan Masyarakat (Sistem Pendaftaran Warga Emas) • Lembaga Tabung Haji (CCTV Maintenance) • Kementerian Dalam Negeri (Maintenance of Private Automated Branch Exchange (PABX System))
<ul style="list-style-type: none"> • Jabatan Pengairan & Saliran (Sistem Amaran Awal Banjir) • TT Dotcom (Spur & Single Dwelling Unit Project) 	New Projects Secured	<ul style="list-style-type: none"> • Kementerian Pendidikan Malaysia (Laptop Leasing) • Pejabat Daerah dan Tanah Melaka Tengah (Data Recovery Center eTanah Melaka) • Jabatan Perdana Menteri (Business Intelligence (BI) and Data Analytics)

* Included intragroup transaction eliminations

On Environmental, Social and Governance, Theta's environmental stewardship is further exemplified by our commitment to solar energy, rainwater harvesting, and strong process compliance and governance in demonstrating our role as a responsible business leader.

Theta recorded a ESG Rating in 2023 of 61% and has conducted various CSR initiatives under our #thetaCares programmes, impacting over 500 individuals. Theta's effort resulted in:-

- Distribution of a total of 218 desktops to schools;
- Distribution of 100 desktops for Pusat Aktiviti Warga Emas;
- SakuPay distributions to more than 100 B40 students; and
- Distribution of more than 150 food boxes to B40 students in Klang Valley.

In the transformation plan for Theta, a 5-year target has been identified anchored on our core expertise as well as new strategic area focus. In the past 2 years, we have focused on optimizing our core business and 2024 onwards, we will focus on key initiatives to guide our efforts towards growth and success. This plan is a combination of analysis, collaboration and feedback from various stakeholders. Over the next 3 years, we aim to improve operational efficiency of our 4 business pillars, i.e. (i) Theta Technology Sdn Bhd (Next Gen System/Technology) as platform based e-Government service provider; (ii) Theta Telecoms Sdn Bhd (Telecommunication) as communication and network technology provider; (iii) Theta Healthcare Sdn Bhd (Healthcare IT/Technology) as healthcare management technology provide; and (iv) Theta Greentech Sdn Bhd (Environmental Sustainability) as energy and utilities technology provider.

In addition to the above, Theta would also build recurring revenue by expanding market range and innovating our product line by incorporating new technologies and capabilities in new business areas, such as Mobility as-a-Service, Cyber Security, Financial Technology (Payment Solutions) and Hajj and Umrah Pilgrims Mobility Platform. Our strategy is to address current challenges and to seize opportunities in the evolving landscape.

Our strategic directions going forward would be to (i) focus on national e-Government digitalization initiatives; (ii) to support Government net zero carbon initiatives; and (iii) to support Government's commitments to provide high-quality digital connectivity.

Our future initiatives include:-

- Exploration of mobility-as-a-service business model in transportation industry;
- Building competency in cyber security by leveraging technology partners in AI driven threat detection, blockchain security and communication protocol;
- Incorporate financial technology within current installed base;
- Monetise Hajj & Umrah pilgrims management digital competency outside Malaysia; and
- Position network technology business to lead the way in smart city innovation.

On strategic diversification and partnerships, we are also looking at (i) exploring opportunities in competency building and knowledge transfer to provide instant access to new market technologies; and expertise and (ii) develop partnerships with international technology leaders in green transportation and environmental and water resource management sector.

Theta remains committed on sustainability by (i) engaging with employees, customers and suppliers to promote and implement sustainable practices; (ii) low carbon ecosystem integration in projects; (iii) increase the diversity of workforce; and (iv) engaged in community development for digital community readiness.

Having concluded her presentation, Datuk Nuraslina passed the floor to En Nazri to brief the shareholders on the Group Financial Performance for FY2023.

En Nazri reported that for FY2023, the Group recorded a revenue of RM144.3 million compared to RM94.3 million last year. The increase was due to higher revenue from both the Telecommunications as well as the Information Technology and System Integration segments which represented 43% and 57% of the total revenue respectively.

Gross profit increased to RM31.8 million in FY2023 from RM23.3 million last year whilst EBITDA increased to RM22.5 million from RM10.2 million recorded a year ago.

Next, En Nazri went on to brief the shareholders on the Group's Financial Position. The following were highlighted:-

- (i) Total Assets increased by approximately 10% to RM152.1 million in FY2023 from RM138 million;
- (ii) Total liabilities also increased by 10% to RM71.5 million from RM64.9 million recorded in FY2022;
- (iii) Gearing ratio improved to 0.15 times from 0.22 times last year;
- (iv) Net Assets per share recorded an improvement since FY2021, from RM0.54 per share to RM0.62 per share in FY2022 and RM0.68 in FY2023;
- (v) On key financial ratios, return on equity increased from -8% in FY2021 to 10.4% in FY2022 and 11.6% in FY2023; and
- (vi) Debt to Equity ratio increased from 0.74 in FY2021 to 0.89 in FY2022 and FY2023.

Before En Nazri concluded his presentation, he informed that Theta would reward its shareholders who participated at the 31st AGM with a RM30 SakuPay gift voucher.

En Nazri thereafter handed the floor back to the Chairman.

The Chairman thanked the Management for the presentations and briefings.

Before opening the Q&A session, the Meeting will first proceed to table all resolutions stipulated in the Agenda as contained in the Notice of the 31st AGM.

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

The Chairman informed that Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon having been circulated to all the shareholders within the prescribed period was taken as read.

The shareholders were informed that these accounts are tabled for information only as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence this Agenda is not put forward for voting.

6. (I) RE-ELECTION OF ENCIK ADAM MALIK BIN AZLAN WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION (RESOLUTION 1)

In accordance with Clause 97 of the Company's Constitution, Encik Adam Malik bin Azlan (Encik Adam) was due to retire by rotation and being eligible, has offered himself for re-election.

The Chairman notified that the profile of Encik Adam was as set out on page 58 of the Annual Report.

(II) RE-ELECTION OF CIK SHAHRIN BINTI OLI MOHAMED WHO RETIRES IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION (RESOLUTION 2)

The Shareholders were informed that in accordance with Clause 97 of the Company's Constitution, Cik Shahrin binti Oli Mohamed (Cik Shahrin) was due to retire and being eligible, has offered herself for re-election.

The Shareholders were informed that the profile of Cik Shahrin was as set out on page 59 of the Annual Report.

(III) RE-ELECTION OF TUAN SYED OSMAN ALHADDAD BIN SYED MOHAMED WHO RETIRES IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION

In accordance with Clause 97 of the Company's Constitution, Tuan Syed Osman Alhaddad bin Syed Mohamed (Tuan Syed Osman) was due to retire at this AGM.

Tuan Syed Osman AlHaddad bin Syed Mohamed has indicated his intention not to seek for re-election and hence, he will retain office until the close of the 31st AGM.

As the Chairman was involved in the next Agenda on the re-election of the Chairman as a Director, Encik Zainal 'Abidin Abd Jalil presided over the Agenda.

7. RE-ELECTION OF TENGKU DATO' SERI HASMUDDIN BIN TENGKU OTHMAN WHO RETIRES IN ACCORDANCE WITH CLAUSE 119 OF THE COMPANY'S CONSTITUTION

Encik Zainal informed the Shareholders that Tengku Dato' Seri Hasmuddin Bin Tengku Othman was due to retire in accordance with Clause 119 of the Company's Constitution at this AGM.

The Shareholders were informed that the Chairman has indicated his intention not to seek for re-election and hence, he will retain office until the close of the 31st AGM.

Encik Zainal thereafter returned the Chair to the Chairman.

8. PAYMENT OF DIRECTORS' FEES FOR AN AMOUNT UP TO RM240,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (RESOLUTION 3)

The Company had proposed a payment of Directors' fees for an amount up to RM240,000 for the financial year ending 31 December 2024.

The Shareholders were informed that details of the fees were as set out in the Explanatory Note 3 on page 172 of the Annual Report.

It was highlighted that the interested directors who are also the shareholders of the Company would abstain from voting on this resolution.

9. PAYMENT OF DIRECTORS' BENEFITS FOR AN AMOUNT UP TO RM823,000 FROM 27 JUNE 2024 UNTIL THE NEXT AGM OF THE COMPANY (RESOLUTION 4)

The Company had proposed a payment of Directors' Benefit for an amount up to RM823,000 from 27 June 2024 until the next AGM of the Company.

The Chairman informed the shareholders that the details of the benefits were as set out in the Explanatory Note 4 on page 172 of the Annual Report.

It was highlighted that the interested directors who are also the shareholders of the Company would abstain from voting on this resolution.

10. TO APPROVE THE PAYMENT OF A FIRST AND FINAL SINGLE TIER DIVIDEND OF RM0.01701 PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (RESOLUTION 5)

The Directors had proposed the payment of a first and final single tier dividend of RM0.01701 per share for the financial year ended 31 December 2023.

11. APPOINTMENT OF MESSRS. KPMG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION (RESOLUTION 6)

The resolution on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration was tabled to the Shareholders/Proxies.

Messrs KPMG PLT had given their consent to seek for re-appointment and no other nominations were received by the Company.

12. PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE AND RENEWAL OF THE EXISTING GENERAL MANDATE FOR CONTRACTS WHICH ARE REVENUE IN NATURE (RESOLUTION 7)

The Chairman tabled the agenda to seek the shareholders' approval for Renewal of the Existing Shareholders' Mandate and Existing General Mandate for Recurrent Arrangements or Transactions of a Revenue or Trading in Nature from time to time with the Related Party(ies) as specified in Section 2.1.2 of the Circular dated 30 April 2024.

The Shareholders were informed that the interested Directors, the interested Major Shareholder and person connected to them as mentioned in the Circular would abstains from voting on this resolution.

13. ANY OTHER MATTERS

The Chairman notified the Meeting that the Company Secretary had confirmed that there are no other matters to be tabled and transacted at the AGM.

14. QUESTIONS & ANSWERS (Q&A) SESSION

Datuk Nuraslina, the Group's Chief Executive Officer of the Company was invited to address the questions received from the Shareholders via Tricor's online TIIH platform. The Chairman informed that the questions received would not be answered in any particular sequence in accordance with the Agenda and would be moderated to avoid repetition and may also be summarised.

The following questions were raised:-

- (i) Leow Ah Nooi – Any doorgift or eVoucher is given to shareholders attending today's AGM.

Datuk Nuraslina informed as announced by the Group CFO earlier, as a token of appreciation, the Company will reward shareholders attending the 31st AGM with a RM30 SakuPay gift voucher.

- (ii) Lee Suan Bee – How much does the Company spend on this virtual AGM? I would like to request a printed hard copy of the Company's annual report.

The cost for conducting the 31st AGM was approximately RM40,000. On the request for printed copy of the Company's annual report, in line with the Group's ESG practice to go green and paperless, the annual report has been uploaded on the Company's website. Upon receipt of the request, a copy will be provided on a 1st come 1st serve basis.

- (iii) Dinesh Kumar A/L Bachulal

- (a) Can the Company conduct next year annual general meeting physically, i.e. face to face?

Datuk Nuraslina thanked Mr Dinesh for his suggestion which will be considered.

- (b) The Company in its recent reports discussed the NIISE Project. Please update the matter regarding time result will be announced. What are the chances of success and what is the current order book at the current time value.

Datuk Nuraslina informed that the Government as at to-date, shortlisted the Company and Dagang NeXchange Berhad. The Company would have to wait for the official announcement and letter of award from the Government for the NIISE Project.

The current time value of the tender order is approximately RM1.7 billion whilst the current order book is approximately RM180 million.

Having answered all the questions, Datuk Nuraslina handed the floor back to the Chairman, who then concluded the Q&A session.

15. POLLING PROCESS

The Chairman informed that an additional 5 minutes for the online voting was given for the Shareholders/proxies who have yet to cast their votes, before declaring that the voting session closed at 10.35 a.m.

The Chairman notified that the Meeting would be adjourned at 10.35 a.m. for 20 minutes for the compilation and verification of the voting results. The Chairman sought all to remain online for the declaration of voting results.

16. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order at 11.05 a.m. for the announcement of the poll results which has been verified by the Independent Scrutineer. The poll results were projected on the screen and as per Appendix I attached.

Based on the results, the Chairman declared all resolutions put to the Meeting duly carried.

17. CLOSURE

There being no other business to be transacted, the Chairman declared that the 31st AGM of the Company was concluded at 11.10 a.m.

CONFIRMED BY

CHAIRMAN

Dated: