

PASUKHAS GROUP BERHAD
[Registration No. 200501009342 (686389-A)]
(Incorporated in Malaysia)

RESUME OF DISCUSSION AT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT WISMA MODAL KHAS, LOT 5815-A, JALAN MAWAR, TAMAN BUKIT SERDANG, SEKSYEN 9, 43300 SERI KEMBANGAN, SELANGOR DARUL EHSAN ON TUESDAY, 30 JUNE 2020 AT 10.30 A.M.

ITEM 1 – AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (“AFS 2019”)

A shareholder of the Company, noted that the total loss after taxation of the Group for the financial year ended 31 December 2019 was recorded at RM11.149 million, had increased by 34.51% as compared to the total loss after taxation of the Group for the financial year ended 31 December 2018 which was stood at RM8.288 million. He also noted that the Group had diversified into Property Development and Coal Trading segment.

Hence, the shareholder would like to seek clarification from the Board of Directors of the Company (“Board”) on the following matters and to understand on the development progress of those highlighted matters: -

- Coal Trading;
- Property Development;
- Renewable Energy; and
- ASEAN Green Sri Sukuk.

Mr Wan Thean Hoe (“Mr Wan”), the Chief Executive Officer, replied on the diversification of the Group and their development progress as follows: -

Coal Trading

The Group had diversified into coal trading business in year 2018 and had initially secured few contracts from Taiwan, Singapore and Vietnam buyers throughout the financial year. However, the Group found that those deals were not promising to conclude and thus, resulted the Group having excessive coal stocks in Indonesia for disposal. The Group did not close any deals in year 2019 due to low coal price.

The Group managed to secure a China buyer for coal shipments by batches in early this year but the coals were not shipped to China due to the outbreak of COVID-19 and lockdown in China. The China buyer had requested to postpone the shipment until further notice as those vessels which on-boarded to China were required to quarantine for fourteen (14) days in both local and global boundaries before it could reach to China. The Group looked forward to receiving an official notification letter from the China buyer to confirm on the expected coals shipment.

In replying to the shareholder’s enquiry on the gross margin for coal trading, Mr Wan replied that the gross margin for coal trading was not high, approximately 3% to 4% only, it would highly depend on the volume of coals. He further explained that although the gross margin for coal trading was low, but the payment for coal trading would be secured when the coals were sold in big bulks and by batches, which could provide cashflow to the Group.

Property Development

For Property Development segment, the Group would collaborate with Yayasan Veteran ATM for a Joint Venture Project to undertake the development of a piece of State leasehold land by constructing and completing a commercial development comprising of car parking bays, offices and serviced apartments in the area of Jalan Tun Razak. The Group had received a letter from Dewan Bandaraya Kuala Lumpur (“DBKL”) requesting for an additional development charges amounting to RM5.7 million to be paid within three (3) months in order to obtain the Development Order (“DO”) from DBKL to kick start the construction work. The Group would look for some potential investors and/or partners to embark on the said project.

The shareholder enquired on the estimated value of the said properties upon completion and Mr Wan replied that the value of entire properties would be approximately RM380 million, based on the pre-set targeted price of RM1,200 to RM1,300 per square feet and would target for buyers from Hong Kong and China.

Renewable Energy

For Renewable Energy, the Group owned a hydro energy power plant in Kelantan which had contributed a stable income stream for the Group by generating a long-term revenue and profit of approximately RM3.5 million to RM4.0 million per year in supplying of energy to Tenaga Nasional Berhad.

The Group was also exploring the potential opportunities in waste management energy project in order to generate an additional income to the Group.

ASEAN Green SRI Sukuk

The Group had on 13 December 2018 announced that Pasukhas Green Assets Sdn. Bhd. (“PGA”), a wholly-owned subsidiary of Pasukhas Energy Sdn. Bhd. (“PESB”), proposed to establish an Islamic Medium-Term Note (“ASEAN Green SRI Sukuk”) programme of RM200.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar together with Murabahah (via Tawarruq arrangement) (“ASEAN Green SRI Sukuk Programme”) and the said programme should have a tenure of twenty (20) years from its first issue date.

PGA had on 28 February 2019 issued the first tranche of the ASEAN Green SRI Sukuk amounting to RM17 million for the purpose of investing in the 3.2 MW mini hydropower plant located in Sungai Rek, Kelantan.

Other income in the AFS

The shareholder enquired on the other income amounting to RM7,326,629 as stated in the AFS 2019 and Mr Wan answered that it was one-off income, arose from the disposal of a freehold land situated in Pahang which was acquired from MTM Millennium Holdings Sdn. Bhd. (In-Liquidation) in year 2018. Mr Wan also added that the Group was in the midst of dealing with the new land owner for the construction of the hotel building.