

GREEN PACKET BERHAD
Registration No. 200001032335 (534942-H)
(Incorporated in Malaysia)

Minutes of the 19th Annual General Meeting of Green Packet Berhad (“the Company”) which was conducted as a fully virtual event via Remote Participation and Electronic Voting Facilities on Wednesday, 30 June 2021 at 10.00 a.m.

PRESENT REMOTELY

Board of Directors:

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman (Chairman/Non-Independent Non-Executive Director) (“Tan Sri Chairman”)

Mr Puan Chan Cheong (Group Managing Director and Chief Executive Officer)

Encik A. Shukor S.A Karim (Non-Independent Non-Executive Director)

Datuk Ng Soon Hong (Senior, Independent Non-Executive Director)

Mr Sharman A/L Arumugam (Independent Non-Executive Director)

Mdm Syafinaz Merican Bt Isahak Merican (Independent Non-Executive Director)

Group CFO:

Ms Sereen Teh Hooi Ling

Group Strategic Officer

Mr Ku Kok Peng

Company Secretary

Ms Tai Siew May

Representative from Messrs. Crowe Malaysia PLT

Mr Ooi Song Wan

Ms Fong Sook Lai

And 189 shareholders who attended in person or by proxy via Remote Participation and Electronic Voting Facilities (“*RPV*”) as per the Attendance List

1. CHAIRMAN

Tan Sri Datuk Dr. Haji Omar Bin Abdul Rahman took the role of Chairman.

2. QUORUM

The Company Secretary confirmed that there was sufficient quorum and the 19th Annual General Meeting (AGM) of the Company was duly convened.

3. NOTICE OF MEETING

The Notice convening the Meeting was tabled and taken as read.

4. CHAIRMAN'S OPENING REMARKS

The Chairman welcomed shareholders to the 19th AGM of Green Packet Berhad. He explained that owing to the on-going Movement Control Order ("MCO") and in compliance with the standard operating procedures, the 19th AGM was being conducted fully virtually through RPV. He informed attendees that this was the second virtual meeting of the Company.

The Chairman then introduced the Company's Board of Directors, the Group Chief Financial Officer, the Senior Management Team and the Company Secretary.

Tan Sri Chairman then advised on the agenda for the day, including that there were seven (7) Ordinary Resolutions to be tabled for voting. He continued to inform the attendees that the Group Chief Financial Officer would present the Audited Financial Statements for the financial year ended 31 December 2020 before the Senior Management Team responded to questions from the shareholders.

The Chairman further advised that in his capacity as Chairman of the Meeting, he had also been appointed as a proxy by some shareholders and he would be voting in accordance to their instructions.

Tan Sri Chairman also stated that the Audited Financial Statements for the financial year ended 31 December 2020 did not require a formal approval from shareholders. Hence, it would not be put up for voting.

Before moving to the formal agenda of the Meeting, the Chairman informed shareholders that voting on each of the Resolutions as set out in the AGM Notice would be conducted via online electronic voting.

The Chairman then informed attendees that the Share Registrar, Boardroom Share Registrars Sdn Bhd would act as Poll Administrator to conduct the online electronic polling process while Boardroom Corporate Services Sdn Bhd had been appointed as the Scrutineer to verify the poll results.

The Chairman then invited Boardroom to take shareholders through the online procedures.

Following this Tan Sri Chairman moved on to brief the shareholders on the agenda for the Seven (7) Ordinary Resolutions to be voted on set out in the Notice of the 19th AGM.

Tan Sri Chairman ended the tabling of the Meeting agenda by inviting the Group Chief Financial Officer, Ms Sereen Teoh Hooi Ling to present on the Company's 2020 Audited Financial Statements and Business Overview.

5. GROUP CHIEF FINANCIAL OFFICER'S PRESENTATION

Ms Sreen Teoh Hooi Ling, the Group Chief Financial Officer ("GCFO"), greeted the shareholders and informed them that her presentation would be divided into three (3) parts as follows:

- a) FYE 2020 Financial Performance
- b) 2020 Key Initiatives
- c) 2021 Prospects

PART 1 - FYE 2020 Financial Performance

- Group Revenue : RM617.40 million
- Group Loss after taxation : RM74.70 million

Smart devices / solutions segment

- Revenue : RM91.0 million
- Loss After Taxation ("LAT") : RM38.60 million

The Smart Devices / Solutions segment consists of Solutions and Business Development. Solutions is one of the pioneering business in the Company's progress towards its path to profitability.

The segment's significant revenue growth was due to increased demand for wireless broadband devices, communications equipment, and increased network capacity arising from the pandemic. Excluding the Business Development portion, the LAT from Solutions stood at RM20.50 million. Further normalized by one-off losses from the discontinued businesses of MYTV DTT set-top box of RM9.90 million and Roadmio businesses of RM3.30 million, the Solutions' LAT was narrowed to RM7.30 million.

Communications

- Revenue : RM517.0 million
- Profits after taxation ("PAT") : RM1.80 million

This segment recorded marginally lower revenue due to the Management's focus on higher margin businesses. This segment achieved profitability as the Group continues to form new and high-value partnerships for its continued growth and profitability. PAT significantly increased due to improved operational efficiency for the Group's wholesale voice traffic and data businesses.

Digital Services

- Revenue : RM9.30 million
- LAT : RM29.30 million

This segment's growth was due to the Group's strategic partnerships with state governments and agencies in developing and implementing fintech solutions and supplying crucial facial recognition thermometric panels, which were spurred by the pandemic. Losses were recorded due to the Company's investment into new areas within Digital Services. Temporary closures of higher education institutions during the MCO further affected the implementation of KiplePay's cashless programmes and contributed to the negative PAT.

Investment

KipleX will focus on investing and co-creating start-ups in the areas of digital services, finance, property, mobility, and healthcare across Southeast Asia that could potentially transform lives and these young businesses. As this segment is still at its nascent stage, no gains on investments have been generated so far.

PART 2 - 2020 Key Initiatives

- 1. Tencent Cloud** – diversification of existing principal activities to include cloud computing solutions.
 - Green Packet has diversified its principal activities to complete its suite of services and cater to the growing demand for cloud computing solutions globally.
 - The local cloud computing market is expected to be worth US\$3.70 billion (RM15.80 billion) in 2024, with a compounded annual growth rate of 13% from year 2020.
 - The Company has entered an exclusive 10-year partnership with Tencent Cloud for cloud-based services in Malaysia.
 - This involves an initial investment of RM100.0 million, comprising the setting up of infrastructure as well as the acquisition of software solutions.

- 2. Acquisition of Xendity Pte Ltd**
 - The strategic acquisition of Xendity's e-Know Your Customer ("e-KYC") software complements Green Packet's enterprise digital solutions.
 - The adoption of this robust e-KYC technology is in line with Bank Negara's efforts to facilitate greater digital financial services offerings.
 - This acquisition is projected to achieve a 15% compounded annual growth rate ("CAGR") with over RM100.0 million revenue in the next five years.

- 3. Settlement Agreement between Green Packet and MYTV Broadcasting Sdn. Bhd.**
 - In the interest of a commercial settlement and goodwill, Green Packet has withdrawn from the arbitration proceedings and entered into a settlement agreement with MYTV Broadcasting Sdn Bhd ("MYTV").
 - The settlement agreement resulted in additional losses for both Loss before Interest, Tax, Depreciation & Amortisation ("LBITDA") and Loss After Tax ("LAT") by RM9.90 million.

- This was due to the total cost incurred by Green Packet exceeding the amount recovered through the Agreement.

4. Termination of Exchangeable Medium-Term Notes (“EMTN”)

- The termination of the EMTN was completed with the exchange of Webe Digital Sdn. Bhd.’s (“WEBE”) shares and the Convertible Unsecured Medium-Term Note issued by WEBE. Following this, Green Packet has ceased to be a shareholder of WEBE.
- This arrangement reduced the incidental costs to be incurred by removing the need to undertake the Fair Valuation Exercise.
- The Company has cleared RM272.60 million of debt, leaving the Company almost debt-free.

PART 3 - 2021 Prospects

Green Packet’s 5.0 Growth Strategy will encompass five (5) Business Pillars that capture the Company’s offerings under the three (3) strategic thrusts of:

- i) Digital Devices and Infrastructure
- ii) Digital Services and
- iii) Investment.

Green Packet’s entry into the Hyperscale Data Center market is part of the Company’s planned extension into Infrastructure-as-a-Service (IaaS) under Green Packet 5.0 including a proposed Rights Issue to fund the expansion of its Digital Services businesses and general working capital.

Upon completion of the GCFO’s presentation, Tan Sri Chairman opened the floor for questions from shareholders.

6. ONLINE QUESTIONS FROM SHAREHOLDERS DURING THE AGM

The Chairman read out the online questions. The Chairman, the Group Managing Director and CEO, Puan Chan Cheong, the GCFO and Senior Management Team addressed the following questions from the shareholders.

Question 1	What differences did Green Packet experience between MCO 2020 and MCO 2021 for its Solutions, Communications and Digital Services segments?
Answer	During MCO 2020, the Solutions and devices businesses were affected by supply chain disruptions due to the lockdowns in China at the start of 2020. This recovered by Q4 2020.

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	For Digital Services, the Company realized that going digital was important for small businesses to survive during the MCO. In May 2020, the Group launched the We Are Ready (“WAR”) campaign to help businesses power their digital transformation. This included thermal scanners, facial recognition, and cloud hosted services.
	During MCO 2021, the Solutions and devices businesses witnessed a positive response for 5G services. The Group entered competitive and exclusive supply chain arrangements with chipset and critical component vendors to ensure the supply of these devices to the market.
	For the Digital Services business, the Group continues to target specific segments where it does not need to compete against mass market players but is able to expand its strategic partnerships in the B2B2C space with: <ul style="list-style-type: none"> • Selangkah Business • Digital Perak • Digital Johor • and WarongKu programs <p>These collaborations will help to improve access to fintech solutions for customers, including microSMEs and underserved markets.</p>
Question 2	Request for a printed hard copy of the Company’s Annual Report.
Answer	In 2020, while the Company was in full remote working mode, paper consumption was reduced by 56%. The Management has decided to keep this momentum of minimizing all printed materials, as one of the moves to strengthen its ESG practices moving forward. Shareholders may direct their request for hardcopies of the Annual Report 2020 to Boardroom Share Registrars Sdn. Bhd.
Question 3	At the last Annual General Meeting, an incentive scheme for Management was approved in the hopes that Green Packet's share price would grow positively. But the share price has dropped recently despite various new businesses and joint ventures.
Answer	Green Packet is confident that its new initiatives will materialize over the mid and long term and improve the Company’s position and outcomes.

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Question 4	The shareholders are worried that Green Packet is trying to do too much like SOFTBANK despite the limited capital and resources. Is it time to review and consolidate the businesses?
Answer	<p>The Company has developed a clear pathway to profitability with a 3-prong focus of:</p> <ul style="list-style-type: none"> I. Strengthening its pioneering businesses II. Venturing into new businesses with high margins III. Expanding into high growth areas for example, hyperscale data centers <p>As the Company continues to execute these strategies, the Management believes that the market will begin to take a positive interest in it again.</p>
Question 5	The proposed Rights Issue with Warrants did not receive a good response from the market.
Answer	<p>Most Rights Issue announcements do not result in an immediately positive share price movement. Looking at the FYE2020 outcomes and Q12021 results, the Company is confident that it is on the right track to position itself as a digital technology leader in this region. The Company is committed to growing the fundamentals of its business and appreciates the continued support from shareholders.</p>
Question 6	The first quarterly financial results for FY2021 shows a PAT of RM18.84 million compared to LAT of RM17.25 million in Q4FY2020. Please elaborate where the profits were derived from and whether such performance can be sustained or increased over the next 3 quarters and beyond?
Question 7	What are the coming year's plans to turn Green Packet from a loss-making business to a profitable one?
Answer	The profit for Q1FY2021 was largely supported by the disposal of G3 Global Berhad's shares.
Question 8	<p>What is the status of the MYTV project? How much loss was incurred in FY 2020? Has the project been terminated? Will there be further losses incurred in FY 2021?</p>
Answer	The project has concluded with a settlement agreement with MYTV.

Question 9	When will the Company pay dividend to the shareholders?
Answer	The Group does not anticipate any dividend payout in the current financial year as the Group is still in investment mode to build up the Digital Services business. It is typical for high growth digital businesses to focus on maximizing shareholder valuation rather than dividend payout at this stage.
Question 10	It has been almost a year since the announcement of Green Packet's collaboration with Tencent. What is the progress on this partnership and has it already gone live as planned?
Answer	The Group has been making good progress in laying the groundwork for equipment and procurement as part of this collaboration. Green Packet is also in continued discussions with Tencent to determine how best both parties can build a larger footprint in Malaysia. Pending the outcomes of this discussion and contingencies in the event of disruptions to the supply chain, the Company anticipates a shift to the end of 2021 for this collaboration to go live.
Question 11	How does the Hyperscale Data Center ("HDC") development program impact the partnership with Tencent cloud?
Answer	The partnership with Tencent Cloud and the venture into HDCs are complementary. This strategic move aligns with the execution of the Group's footprint into digital infrastructures, particularly in the delivery of cloud-based services. The current data center market in Malaysia comprises several key players but has no clear leader in the hyperscale space. HDCs are flagship digital backbone infrastructure projects that align with Malaysia's cloud-focused digitalization initiatives, such as MyDigital, Jalinan Digital Negara (JENDELA), and the Malaysia National Industry 4.0 Framework Digital Blueprint. The Company's focus is to develop HDCs that are equipped with cutting edge technologies that can maintain and meet the high resilience and ultra-low latency requirements of the global hyperscalers.

7. VOTING ON RESOLUTIONS 1 THROUGH 7

Tan Sri Chairman called for the following seven (7) resolutions to be put to vote:

Resolution No.	Subject Matter
1	Re-election of Encik A. Shukor Bin S.A. Karim as Director in accordance with Clause 99 of the Company's Constitution
2	Election of Mr Sharman A/L Arumugam in accordance with Clause 105 of the Company's Constitution
3	Election of Mdm Syafinaz Merican Bt Isahak Merican in accordance with Clause 105 of the Company's Constitution
4	Payment of Director's fee of RM19,713 to a director who was appointed after 18 th AGM for the financial year ended 31 December 2020, and a total directors' fee of RM213,140 payable to the non-executive directors for the financial year ending 31 December 2021
5	Payment of directors' benefits up to RM100,000 payable to the non-executive directors from 19 th AGM to the 20 th AGM
6	Appointment of Messrs. Crowe Malaysia PLT as auditors of the Company and to authorize the Directors to fix their remuneration.
7	Renewal of Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (general mandate of up to 20%)

The Chairman adjourned the Meeting for polling.

8. ANNOUNCEMENT OF POLL RESULTS

The AGM was re-convened at 11:20 a.m. and the Chairman called the Meeting to order for the declaration of the poll results duly verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd.

The Chairman informed shareholders that all resolutions tabled at the AGM were duly carried. The results of the (7) ordinary results are annexed to this Minutes of Meeting marked as ***Appendix I***.

9. ANY OTHER BUSINESS

The Chairman informed the shareholders that the Company Secretary had confirmed that the Company did not receive notice for any other business.

10. CONCLUSION

On behalf of the Board of Directors, the Chairman expressed his appreciation and thanks to the shareholders for their participation at the Meeting.

There being no other business, the Meeting concluded at 11:25 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT

Chairman