

ELSOFT RESEARCH BERHAD

Registration No. 200301015084 (617504-K)
(Incorporated in Malaysia)

MINUTES OF GENERAL MEETING

MINUTES OF THE TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING (“AGM”) OF ELSOFT RESEARCH BERHAD (“ELSOFT” OR “COMPANY”) HELD AT THE CONFERENCE HALL OF THE COMPANY, PLOT 85B, LINTANG BAYAN LEPAS 9, BAYAN LEPAS INDUSTRIAL PARK, PHASE 4, 11900 BAYAN LEPAS, PULAU PINANG ON FRIDAY, 7 JUNE 2024 AT 10.00 A.M

Present	:	Board of Directors	
		Dato’ Dr Chong Eng Keat @ Teoh Eng Keat	- Non-Independent Non-Executive Chairman
		Mr. Tan Cheik Eaik	- Executive Director /Chief Executive Officer
		Mr. Koay Kim Chiew	- Executive Director
		Mr. Tan Ah Lek	- Non-Independent Non-Executive Director
		Mr. Ooi Toon Kit	- Non-Independent Non-Executive Director
		Madam Tan Ai Jiew	- Non-Independent Non-Executive Director
		Dato’ Agatha Foo Tet Sin	- Independent Non-Executive Director
		Mr. Lee Soo Ghee	- Independent Non-Executive Director
		Ir. Academician Emeritus Professor Tan Sri Dato’ Seri Dr. Chuah Hean Teik	- Independent Non-Executive Director
		Company Secretary	
		Ms Michelle Ooi	
	:	Shareholders/Proxy	
		As per attendance list	
By Invitation	:	As per attendance list	
In Attendance	:	External Auditors	- BDO PLT
		Poll administrator	- Securities Services (Holdings) Sdn Bhd
		Independent Scrutineers	- Commercial Quest Sdn Bhd

CHAIRMAN OF THE MEETING

Dato’ Dr Chong Eng Keat @ Teoh Eng Keat (Chairman).

QUORUM

There being a quorum, the 21st AGM (“Meeting”) was duly convened.

NOTICE OF MEETING

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

PRELIMINARY

- (a) Dato' Chairman introduced each and every member of the Board of Director ("Board") as well as the Company Secretary who was in attendance.
- (b) Dato' Chairman informed that voice or video recording of the Meeting proceeding was strictly prohibited.
- (c) Dato' Chairman briefed the members, corporate representatives and proxies present of their right to speak and vote on the resolutions set out in the Notice of 21st AGM dated 30 April 2024.
- (d) Dato' Chairman informed that the voting of the 21st AGM would be conducted on a poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. For this purpose, Dato' Chairman exercised his right as the Chairman of this Meeting to demand for a poll in accordance with Article 16.5 of the Company's Constitution in respect of all resolutions which would be put to vote at the Meeting.
- (e) Dato' Chairman further informed that the Company had appointed Securities Services (Holdings) Sdn. Bhd. as Poll Administrator to conduct the electronic voting (e-Voting) process and Messrs. Commercial Quest Sdn. Bhd. as Scrutineers to verify the poll results.
- (f) Ms. Chin of Messrs. Securities Services (Holdings) Sdn. Bhd. was invited to explain the procedure for the conduct of e-Voting at the Meeting. The shareholders were given a polling device for this purpose and Ms. Chin conducted a trial run for the shareholders to familiarize with the device. Thereafter, she passed the chairing of the meeting back to the Chairman.
- (g) Dato' Chairman informed that for each resolution, it would be open to the floor for question, after which, the meeting would proceed to vote and the results would be showed on the screen and announced immediately. There were 8 Ordinary Resolutions to be tabled for approval by the shareholders and these steps would be repeated for each resolution.

Minority Shareholders Watch Group ("MSWG") Questions

Dato' Chairman informed the Meeting that the Company had received written questions from the MSWG before the Meeting.

He then invited the CEO, Mr. Tan Cheik Eaik to read out the questions and the Company's responses to the questions of MSWG, which were also flashed on the screen at the Meeting, details of which are attached herewith and marked as Appendix 1.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FY2023") TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

- 1.1 Dato' Chairman tabled the Audited Financial Statements for the FY 2023 together with the Reports of the Directors and Auditors as set out on pages 68 to 128 of the Annual Report 2023.
- 1.2 Dato' Chairman invited questions from the floor however, there were no questions raised.

1.3 Dato' Chairman declared that the Audited Financial Statements for the FY2023 together with the Reports of the Directors and Auditors were received and duly tabled at the 21st AGM.

1.4 Dato' Chairman explained that the Audited Financial Statements for the FY2023 were for discussion only under Agenda 1, as it did not require shareholders' approval. Therefore, it would not be put for voting.

**2.0 ORDINARY RESOLUTION NO. 1
TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF NOT EXCEEDING
RM350,000.00 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

2.1 Dato' Chairman informed that the 2nd agenda in the notice of the 21st Annual General Meeting was to approve the payment of Directors' Fees of not exceeding RM350,000.00 for the financial year ending 31 December 2024.

2.2 Dato' Chairman advised the Directors who are the shareholders of the Company and are entitled to receive the Directors' fees to abstain from voting on this resolution.

2.3 Dato' Chairman invited questions from the floor however, there were no questions raised.

2.4 The motion was then put to the vote of the meeting by way of e-Voting.

2.5 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 1 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 1:	299,202,210	100.0000	100	0.0000

2.6 Dato' Chairman then declared that the Ordinary Resolution No. 1 was duly passed as follows:

“That the payment of Directors' Fees of not exceeding RM350,000.00 to the Non-Executive Directors for the financial year ending 31 December 2024 be approved.”

**3.0 ORDINARY RESOLUTIONS NO. 2, 3 AND 4
RE-ELECTION OF DIRECTORS OF THE COMPANY PURSUANT TO
ARTICLE 18.3 OF THE COMPANY'S CONSTITUTION**

3.1 Dato' Chairman informed that Agenda 3 was on the re-election of Directors, who were retiring by rotation pursuant to Article 18.3 of the Company's Constitution.

3.2 The Company had on the morning of the AGM received a letter from Madam Tan Ai Jiew indicating her decision not to stand for re-election as Director of the Company at the 21st AGM.

Hence, Ordinary Resolution 3 pertaining to Madam Tan's re-election was withdrawn and was not put for voting. Madam Tan Ai Jiew retired as Director of the Company at the close of the 21st AGM.

3.3 Dato' Chairman took the opportunity to thank Madam Tan on behalf of the Board for her dedication and services to Elsoft Group.

**4.0 ORDINARY RESOLUTION NO. 2
RE-ELECTION OF MR. KOAY KIM CHIEW AS DIRECTOR OF THE
COMPANY PURSUANT TO ARTICLE 18.3 OF THE COMPANY'S
CONSTITUTION**

- 4.1 Dato' Chairman informed that Mr. Koay Kim Chiew who retired by rotation pursuant to Article 18.3 of the Company's Constitution has offered himself for re-election as Director of the Company.
- 4.2 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 4.3 The motion was then put to the vote of the meeting by way of e-Voting.
- 4.4 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 2 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 2:	454,219,678	99.9516	220,080	0.0484

- 4.5 Dato' Chairman then declared that the Ordinary Resolution No. 2 was duly passed as follows:

“THAT, Mr. Koay Kim Chiew who retired pursuant to Article 18.3 of the Company's Constitution be re-elected as Director of the Company.”

**5.0 ORDINARY RESOLUTION NO. 4
RE-ELECTION OF DATO' AGATHA FOO TET SIN AS DIRECTOR OF THE
COMPANY PURSUANT TO ARTICLE 18.3 OF THE COMPANY'S
CONSTITUTION**

- 5.1 Dato' Chairman then informed that Dato' Agatha Foo Tet Sin who retired pursuant to Article 18.3 of the Company's Constitution has offered herself for re-election as Director of the Company.
- 5.2 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 5.3 The motion was then put to the vote of the meeting by way of e-Voting.
- 5.4 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 4 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 4:	449,604,398	98.9652	4,701,100	1.0348

- 5.5 Dato' Chairman then declared that the Ordinary Resolution No. 4 was duly passed as follows:

“THAT, Dato' Agatha Foo Tet Sin who retired pursuant to Article 18.3 of the Company's Constitution be re-elected as Director of the Company.”

**6.0 ORDINARY RESOLUTION NO. 5
RE-ELECTION OF PROFESSOR TAN SRI DATO' SERI DR. CHUAH HEAN TEIK AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 18.10 OF THE COMPANY'S CONSTITUTION**

- 6.1 Dato' Chairman informed that Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik who retired pursuant to Article 18.10 of the Company's Constitution has offered himself for re-election as Director of the Company.
- 6.2 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 6.3 The motion was then put to the vote of the meeting by way of e-Voting.
- 6.4 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 5 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 5:	447,805,908	98.5842	6,431,100	1.4158

- 6.5 Dato' Chairman then declared that the Ordinary Resolution No. 5 was duly passed as follows:

“THAT, Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik who retired pursuant to Article 18.10 of the Company's Constitution be re-elected as Director of the Company.”

**7.0 ORDINARY RESOLUTION NO. 6
RE-APPOINTMENT OF MESSRS. BDO PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

- 7.1 Ordinary Resolution 6 was to re-appoint Messrs. BDO PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
- 7.2 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 7.3 The motion was then put to the vote of the meeting by way of e-Voting.
- 7.4 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 6 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 6:	437,876,698	99.9989	5,000	0.0011

- 7.5 Dato' Chairman then declared that the Ordinary Resolution No. 6 was duly passed as follows:

“THAT the re-appointment of Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration be approved.”

**8.0 ORDINARY RESOLUTION NO. 7
AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016
FOR THE DIRECTORS TO ISSUE SHARES**

- 8.1 Dato' Chairman then moved on to the special business on the agenda. He informed that the Ordinary Resolution 7 was to obtain shareholders' mandate for the Directors to issue shares in the Company up to a maximum of 10% of the total issued shares of the Company.
- 8.2 The rationale for obtaining the mandate is to provide certain amount of flexibility to the Board, when need arises, to issue additional shares subject to the approval of authorities being obtained as well as to avoid any delay and cost in convening a separate general meeting to specifically approve such an issuance of shares.
- 8.3 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 8.4 The motion was then put to the vote of the meeting by way of e-Voting.
- 8.5 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 7 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 7:	454,326,558	99.9980	9,000	0.0020

- 8.6 Dato' Chairman then declared that the Ordinary Resolution No. 7 was duly passed as follows:

“THAT, subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deemed fit, provided that the aggregate of the shares to be issued does not exceed 10% of the total number of issued shares of the Company and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued.

THAT the existing shareholders' right of pre-emption under Article 13.2 of the Company's Constitution shall not apply to the allotment and issuance of new shares pursuant to this mandate.”

**9.0 ORDINARY RESOLUTION NO. 8
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

- 9.1 Dato' Chairman informed that the Ordinary Resolution 8 was on Proposed Renewal of Share Buy-Back Authority, if passed, it would give the Company the authority to purchase its own shares up to 10% of the total number of issued shares of the Company for the time being.
- 9.2 The authority, unless renewed or revoked or varied by the shareholders of the Company in general meeting, would expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting after that date is required by the law to be held, whichever occurs first.
- 9.3 Dato' Chairman invited questions from the floor however, there were no questions raised.
- 9.4 The motion was then put to the vote of the meeting by way of e-Voting.
- 9.5 Dato' Chairman announced the poll results projected on the screen at the Meeting in respect of Resolution 8 which was carried as follows: -

	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 8:	454,363,898	99.9982	8,000	0.0018

- 9.6 Dato' Chairman then declared that the Ordinary Resolution No. 8 was duly passed as follows:

“THAT, subject always to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other applicable laws, rules, regulations, and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to make purchase(s) of such amount of ordinary shares in the Company through Bursa Securities subject to the following:

- (a) The aggregate of the shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company (“Shares”);
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits of the Company. As of 31 December 2023, the audited retained profits of the Company was RM18,987,946.
- (c) The authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
 - (i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

- (ii) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authority; and

- (d) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner:
 - (i) cancel the Shares so purchased; or
 - (ii) retain the Shares so purchased as treasury shares; or
 - (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as share dividends to shareholders; or
 - (v) resell the treasury shares on Bursa Securities; or
 - (vi) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
 - (vii) transfer the treasury shares, or any of the shares as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorized to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

10.0 ANY OTHER BUSINESS

- 10.1 Dato' Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

11.0 CLOSE OF MEETING

- 11.1 There being no other business to be transacted, the meeting ended at 11.05 a.m. with a vote of thanks to the Chair and to the Board of Directors.

READ AND CONFIRMED BY,

- Signed -

CHAIRMAN

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QUESTIONS SUBMITTED BY MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) VIDE LETTER DATED 4 JUNE 2024 PRIOR TO THE 21ST ANNUAL GENERAL MEETING HELD ON 7 JUNE 2024

	Questions from MSWG	The Company’s Response/Answer
1.	<p>The Group’s revenue for FYE 2023 decreased by 42.8% due to a decline in demand for ATE caused by a downturn in the global semiconductor market. The Group’s gross profit for FYE 2023 decreased by 50.0% and gross profit margin declined to 33.9% from 38.8% in FYE 2022. The decline in margin was because fixed costs remained unchanged despite lower revenue (page 12 of Annual Report (AR) 2023).</p> <p>a. When does the Group anticipate the recovery of the Automated Test Equipment (ATE) market?</p>	As of now, the Group has yet to experience an increase in demand for its ATE. Considering the anticipated recovery in the semiconductor market, though at a slow progress, the management is cautiously optimistic that the ATE market will gradually recover in the near to mid-term.
b.	What comprises the fixed costs? Are there any opportunities for cost-saving measures or efficiency improvements being explored to offset the impact of fixed costs on the gross profit margin?	Fixed costs comprise mainly staff costs for the Research & Development Department and the Manufacturing Department. Considering the need to retain talent, options for cost-saving may be somewhat constrained. Notwithstanding this, the Group strives to continuously explore other measures to sustain its gross profit margin.
2.	<p>The Group’s current primary markets are in the Automotive, Smart Devices and General Lighting industries (page 11 of AR2023).</p> <p>How do the revenue contributions from each primary market compare year-over-year? Any notable trends observed in the sales performance across these primary markets in recent years? What factors have influenced if there are any significant changes to the contributions?</p>	The sales performance of the Smart Devices and Automotive markets has declined due to reduced demand for ATE caused by a downturn in the global semiconductor market. In contrast, the Medical market has shown improvement, partly due to the contribution from the newly acquired subsidiary, Xyrius Solutions Sdn Bhd. However, the contribution from the Medical market is still not significant as compared to the Smart Devices and Automotive markets, as it contributed to approximately 6.90% of the Group’s total revenue for the FYE 2023.

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	Questions from MSWG	The Company’s Response/Answer																					
3.	<p>The following portrays the Group’s revenue breakdown by customers.</p> <table border="1"> <thead> <tr> <th></th><th colspan="2">Group</th></tr> <tr> <th></th><th>2023</th><th>2022</th></tr> <tr> <th></th><th>RM</th><th>RM</th></tr> </thead> <tbody> <tr> <td>Customer A</td><td>6,237,587</td><td>12,162,279</td></tr> <tr> <td>Customer B</td><td>2,706,879</td><td>0</td></tr> <tr> <td>Customer C</td><td>0</td><td>4,286,560</td></tr> <tr> <td></td><td>8,944,466</td><td>16,448,839</td></tr> </tbody> </table>		Group			2023	2022		RM	RM	Customer A	6,237,587	12,162,279	Customer B	2,706,879	0	Customer C	0	4,286,560		8,944,466	16,448,839	<p>Customers A contribution to the Group's sales has halved compared to the previous year due to the global economic downturn. The management is constantly undertaking proactive engagement with the customer to secure new orders when opportunities arise. Simultaneously, the Group’s R&D team is exploring into new market segment, although this effort is still in preliminary stage.</p>
	Group																						
	2023	2022																					
	RM	RM																					
Customer A	6,237,587	12,162,279																					
Customer B	2,706,879	0																					
Customer C	0	4,286,560																					
	8,944,466	16,448,839																					
a.	Customers A contribution to the Group's sales has halved compared to the previous year. What measures are in place to mitigate this decline and maintain revenue stability?																						
b.	Is Customer B a recent addition? Please provide insights into their profile. Are the RM2.7 million new sales in FYE2023 expected to be sustained, and if so, what strategies are being employed to ensure continued business?	In FYE2023, Customer B replaced Customer C as a new entity to purchase ATE from the Group.																					
c.	There is no contribution from Customer C in FYE2023 compared to its RM4.2 million sales in FYE2022. What actions, if any, are being taken to address this decline and potentially re-engage the customer?	<p>In FYE2023, Customer B replaced Customer C as a new entity to purchase ATE from the Group.</p> <p>The aggregate contribution of Customer B and Customer C to the Group’s sales had reduced by 37% in FYE 2023 due to global economic slowdown.</p>																					

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	Questions from MSWG	The Company’s Response/Answer																
4.	On June 6, 2023, the Group acquired Xyrius Solutions Sdn. Bhd. (“Xyrius”), obtaining 100% equity interest via purchasing 30,000 ordinary shares for RM9.3 million, partly in cash and through share issuance (page 73 of AR2023).	The integration process is still ongoing and we will resolve any issue as it arise. Additionally, the performance of Xyrius is also affected by the global economic slowdown and its contribution to the Group’s sales is still insignificant.																
a.	Has the integration of Xyrius into the Group's operations proceeded smoothly and met the internal target? When does the Group anticipate this acquisition contributing significantly to the Group's sales?																	
b.	Have there been any notable developments or achievements resulting from the integration of Xyrius into the Group?	Due to constrained business activities and collaboration efforts resulting from the global economic slowdown, there has been no notable development or achievement from the integration of Xyrius into the Group.																
5.	<p>The impairment of debtors, provision of slow-moving inventories, asset written off and the professional fee incurred for corporate exercise contributed to a rise in the Group’s administrative expenses from RM3.854 million in FYE 2022 to RM4.623 million (page 12 of AR2023).</p> <p>Please provide a breakdown of the increase in the Group's administrative expenses, specifying the percentage of each contributor as mentioned above.</p>	<p>The breakdown of the increase in the Group’s administrative expenses is as follow:</p> <table><tr><th>Details</th><th>2023 RM’000</th><th>Group 2022 RM’000</th><th>Variance Percentage</th></tr><tr><td>Impairment on debtors</td><td>313</td><td>81</td><td>286%</td></tr><tr><td>Professional Fee</td><td>388</td><td>4</td><td>9600%</td></tr><tr><td>Property, plant & equipment written off</td><td>129</td><td>0</td><td>100%</td></tr></table> <p>To clarify, the provision of slow-moving inventories amounting to RM227,000 and RM653,000 for the FYE2023 and FYE2022 respectively were included in cost of sales.</p>	Details	2023 RM’000	Group 2022 RM’000	Variance Percentage	Impairment on debtors	313	81	286%	Professional Fee	388	4	9600%	Property, plant & equipment written off	129	0	100%
Details	2023 RM’000	Group 2022 RM’000	Variance Percentage															
Impairment on debtors	313	81	286%															
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	Questions from MSWG	The Company’s Response/Answer
6	<p><u>Sustainability Matters</u></p> <p>A 585.42kWp Solar Photovoltaic (PV) System has been installed at Elsoft’s factory and is expected to generate up to 811,978kWh of electricity annually. The reduction in fossil electricity consumption and the resulting reduction in air pollution is equivalent to 16,392 trees cleansing the air annually or 549.12 tonnes of annual CO2 reduction (page 25 of AR2023).</p> <p>a. What are the Group’s further initiatives regarding the renewable energy space?</p>	At this juncture, the Group does not have further initiatives for renewable energy.
b.	Does the Company have any plans to subscribe to the Green Energy Tariff (GET) to reinforce support for sustainable energy sources?	At this juncture, the Group does not have any plan to subscribe to the Green Energy Tariff (GET).
7.	<p>Disclosing Scope 1, 2, and 3 emissions enhances transparency, aids in risk management, identifies reduction opportunities, attracts investors, ensures regulatory compliance, and facilitates benchmarking and goal setting, thereby boosting the company’s brand image.</p> <p>Please provide detailed information on the Group’s greenhouse gas emissions categorized under Scope 1, 2, and 3. How does the Group measure these emissions and what steps are being taken to reduce them?</p>	Elsoft is currently working on formulating its greenhouse gas (GHG) information. This process involves data collection, determining measurement methods, and planning steps to reduce emissions. Elsoft will share the GHG information once it becomes available.

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	Questions from MSWG	The Company’s Response/Answer
8.	<p><u>Corporate Governance Matters</u></p> <p>Practice 5.9 of the MCCG stated that the board comprises at least 30% women directors.</p> <p>Currently, the Board comprises two (2) female directors out of a total of nine (9), constituting 22% of the Board Composition (Page 24 of CG Report 2023).</p> <p>Are efforts underway to find suitable female candidates for an upcoming Director role to enhance the Board's diversity? If so, when is this expected to be achieved?</p>	<p>While the Board has not set a specific date for achieving the 30% women directors’ target, the Board actively seek suitable female candidates whenever there is a vacancy for directorship.</p>