

**SKP RESOURCES BERHAD**  
[Registration No. 200001021690 (524297-T)]  
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS VIDE THE ONLINE MEETING PLATFORM HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) PROVIDED BY SS E SOLUTIONS SDN. BHD. IN MALAYSIA ON FRIDAY, 23 SEPTEMBER 2022 AT 11:00 A.M.**

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|----------------------|---|-------------------------|---|
| <b>DIRECTORS</b>     | : | Mr. Gan Poh San         | <i>(Chairman of the Meeting) /<br/>(Executive Director)</i> |
|                      |   | Mr. Koh Chin Koon       | <i>(Non-Independent Non-Executive Director)</i>             |
|                      |   | Mr. Koh Song Heng       | <i>(Independent Non-Executive Director)</i>                 |
|                      |   | Ms. Anita Chew Cheng Im | <i>(Independent Non-Executive Director)</i>                 |
|                      |   | Mr. Goh Kah Im          | <i>(Independent Non-Executive Director)</i>                 |
| <b>MEMBERS</b>       | : | As per Attendance List  |   |
| <b>PROXY HOLDERS</b> | : | As per Attendance List  |   |
| <b>INVITEES</b>      | : | As per Attendance List  |   |
| <b>IN ATTENDANCE</b> | : | Mr. Kau Wai Faun        | <i>(Group Financial Controller)</i>                         |
|                      |   | Ms. Lee Ming Li         | <i>(External Auditors)</i>                                  |
|                      |   | Ms. Chua Siew Chuan     | <i>(Company Secretary)</i>                                  |
|                      |   | Ms. Yau Jye Yee         | <i>(Assisting the Company Secretary)</i>                    |
|                      |   | Ms. Rachel Chong        | <i>(Assisting the Company Secretary)</i>                    |

### **CHAIRMAN**

Mr. Ivan Gan Poh San was elected by the Board of Directors as the Chairman (“**the Chairman**”) for the Twenty-Second (“**22nd**”) Annual General Meeting (“**AGM**”). The Chairman welcomed all present to the live streaming of the 22nd AGM of the Company and called the Meeting to order at 11:00 a.m.

The Chairman informed all that keeping in mind the continuing safety and health of the shareholders of the Company, the Board of Directors has decided that the 22nd AGM of the Company be held on a fully virtual basis via the live streaming webcast and online remote voting using remote participation and voting facilities, without physical attendance.

The Chairman announced the demise of the Executive Chairman cum Managing Director, Dato’ Gan Kim Huat on 20 September 2022.

The Chairman then proceeded to introduce each of the Directors, the Company Secretary and the representative from Ernst & Young PLT, the External Auditors of the Company.

### **TRIBUTE TO THE LATE DATO’ GAN KIM HUAT**

Before proceeding to transact the business of the day, Mr. Koh Chin Koon (“**Mr. Koh**”), the Non-Independent Non-Executive Director on behalf of the Board paid tribute to the late Dato’ Gan Kim Huat for his immense contribution to SKP Group over the past 20 years, and placed on record the Company’s appreciation thereof as well as condolences to the family members of the late Dato’ Gan.

The Meeting then, upon the call of Mr. Koh, observed a one-minute silence to honour and in remembrance of the late Dato’ Gan Kim Huat.

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**QUORUM**

The requisite quorum being present pursuant to Clause 96 of the Company's Constitution, the Chairman declared the Meeting duly convened.

The Chairman informed the Meeting that the Company was using 15 September 2022 as the determinant date of the General Meeting Record of Depositors.

**NOTICE**

The Notice convening the Meeting dated 29 July 2022 having been circulated within the prescribed period was with the permission of the Meeting, taken as read.

**PROCEEDINGS**

Ms. Chua Siew Chuan ("**Ms. Chua**"), the Company Secretary informed all that the Meeting would first go through all the formalities of the agenda items followed by a questions and answer session.

The Secretary further informed that Securities Commission Malaysia has stipulated that shareholders and proxies could rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda item. Therefore, they were requested to use the text box provided in the live stream player within the same e-Portal page. The Meeting shall via the broadcast announce the relevant questions and answer them accordingly.

The Meeting was informed that the Company would endeavour to respond to all questions relevant to the Agenda items during the Meeting and any unattended questions or remarks submitted by shareholders and/or proxies would be responded to via email after the conclusion of the Meeting.

The Secretary then informed that the voting session had commenced from the start of the Meeting and shall continue until the closure of the voting session to be announced. Alternatively, shareholders, proxies or corporate representatives could also cast their vote after all the question and answer session in relation to each Agenda item have been dealt with.

The Meeting noted that SS E Solutions Sdn. Bhd. was the Poll Administrator and Commercial Quest Sdn. Bhd. was the Independent Scrutineers to verify the results of the poll voting.

A step-by-step guide together with a short audio clip on the Securities Services e-Portal ("**SSeP**") online voting module within the e-Portal was played.

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### **VOTING PROCEDURES**

The Chairman informed that voting for Meeting would be conducted by way of electronic polling in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman further informed that there were shareholders who were unable to participate in the Meeting and had appointed him to vote on their behalf. Accordingly, he will be voting in his capacity as proxy in accordance with the shareholders' instructions, where indicated.

The Chairman then informed that there is no legal requirement for a proposed resolution to be seconded, as such shareholders could submit the votes at their own time before the closure of voting.

### **LETTER RECEIVED FROM MINORITY SHAREHOLDERS WATCH GROUP**

The Chairman informed that the Company had received a letter from the Minority Shareholders Watch Group ("**MSWG**") dated 9 September 2022.

For the benefit of all present, the Company Secretary read and presented the questions raised by the MSWG as well as the reply in response to the questions raised. A copy of MSWG's letter dated 9 September 2022 together with the Company's written reply dated 21 September 2022 is attached herein as "**Appendix A**".

#### **1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

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The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2022 ("**AFS 2022**") together with the Reports of the Directors and the Auditors thereon.

The Meeting noted shareholders' approval is not required for this item of the agenda and would not be put for voting. The Chairman then declared that the AFS 2022 together with the Directors' and Auditors' Reports thereon be received.

#### **2.0 ORDINARY RESOLUTIONS 1 AND 2 RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 119 OF THE COMPANY'S CONSTITUTION:- (A) DATO' GAN KIM HUAT; AND (B) MR. GAN POH SAN**

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The Chairman informed that the next item on the Agenda was to re-elect the retiring Directors, in accordance to Clause 119 of the Company's Constitution for re-election.

The Chairman further informed the Meeting that Ordinary Resolution 1 on re-election of Dato' Gan Kim Huat be hereby withdrawn.

(Minutes of the Twenty-Second Annual General Meeting held on 23 September 2022 - cont'd)

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**3.0 ORDINARY RESOLUTION 3  
PAYMENT OF DIRECTORS' FEES OF RM395,000.00 FOR THE PERIOD FROM 1  
OCTOBER 2022 TO 30 SEPTEMBER 2023, TO BE PAYABLE ON A QUARTERLY  
BASIS IN ARREARS**

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The Chairman informed the Meeting that the next item on the Agenda was to approve the payment of Directors' fees of RM395,00.00 (Ringgit Malaysia: Three Hundred and Ninety-Five Thousand only) from 1 October 2022 to 30 September 2023, to be payable on a quarterly basis in arrears.

The Chairman informed that Ordinary Resolution 3 is to facilitate payment of Directors' fees on current financial year basis.

**4.0 ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY  
UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO  
AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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The Chairman informed the Meeting that the next item on the Agenda was to re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

**5.0 SPECIAL BUSINESS  
ORDINARY RESOLUTION 5  
AUTHORITY TO ISSUE SHARES PURSUANT TO COMPANIES ACT 2016**

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The Chairman informed that the next item on the Agenda was a special business to approve the Ordinary Resolution on the authority to issue shares pursuant to the Companies Act 2016.

The Chairman informed that the proposed adoption of this Ordinary Resolution was to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued did not exceed 10% of the total issued share capital of the Company for the time being.

**6.0 SPECIAL BUSINESS  
ORDINARY RESOLUTION 6  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS  
OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

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The Chairman informed that the next item on the Agenda was a special business to approve the Ordinary Resolution on the Proposed Renewal of Share Buy-Back Authority.

The proposed adoption of the ordinary resolution is to renew the authority granted by the shareholders of the Company at the Twenty-First Annual General Meeting held on 29 September 2021.

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The proposed renewal is to enable the Directors to exercise the power of the Company to purchase not more than 10% of the total number of issued shares of the Company at any point of time, within the time period stated in the Bursa Securities' Main Market Listing Requirements.

**7.0 ANY OTHER BUSINESS**

There was no other notice received to transact any other business.

**QUESTION AND ANSWER SESSION**

The Chairman informed the Meeting that the following questions were received from shareholders via SSeP and the Chairman responded to the questions:-

**1. Regards from Ms. Koh Chooi Peng**

Ms. Koh conveyed his deepest condolences to Mr. Gan Poh San and family on the demise of his father and recorded his sincere appreciation and gratitude to the late Executive Chairman for his contribution to SKP Group.

**Answer**

Mr. Chairman noted with appreciation.

**2. Questions from Mr. Lau Chuan Hooi**

- (i) What is the Company's future outlook?;
- (ii) Will the Board consider giving door gift such e-voucher or e-wallets for those who participated in the AGM?

**Answer**

- (i) The Management is cautiously optimistic of the bright future of SKP Group. The Company had performed well for the financial year ended 30 March 2022 ("FY2022") and the Group will further invest for FY2023. Barring any unforeseen circumstances, the Management expects to achieve profit growth for the financial year ending 2023 and would consider to reward the shareholders with dividends.
- (ii) The Company has no policy to provide door gifts to shareholders who participated in annual general meeting. The Company would reward its shareholders equally with dividends.

(Minutes of the Twenty-Second Annual General Meeting held on 23 September 2022 - cont'd)

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**3. Question From Mr. Hiu Chee Keong**

How is the minimum wage affect the Company?

**Answer**

The Company complies with the relevant local labour laws and regulations with regard to the minimum wage implemented by the Government. Fortunately, the Company is able to pass on the minimum wage to most of the supportive clients of SKP who are willing to absorb the cost, hence, the minimum wage issue has minimally affected SKP Group. The Management also had taken effective measures to reduce dependent of manpower with continuous improvement and investment in automation to provide better efficiency to the SKP manufacturing and production business.

**4. Questions From Ms. Koh Chooi Peng**

The Group invested in Capital Expenditure (“**CAPEX**”) amounted to RM94.39 million in FY2022 and have authorised CAPEX amounting to RM79.49 million in FY2023.

- (i) What will be the expected increase in production capacity arising for these CAPEX?
- (ii) Are there confirmed orders to fill up the newly added capacity, and if yes, what is expected capacity to be utilised from these orders?
- (iii) Are these new capacity catering to new product and new clients or from existing clients?

**Answer**

The reply on the above question can be found in the reply to MSWG’s question no. 2 which was addressed to the Company and responded to earlier by the Secretary.

**POLLING PROCESS**

Having dealt with all the relevant questions received, the step-by-step guide together with a short audio clip on the online voting module within the e-Portal was played again. Shareholders and proxy holders were given another 10 minutes to cast and submit their votes. Thereafter, the Scrutineer verified the poll results.

**ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed and the Chairman then called the Meeting to order at 11:59 a.m. for the declaration of the poll results. The results of the poll were shown on the screen.

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**ORDINARY RESOLUTION 2**  
**RE-ELECTION OF MR. GAN POH SAN WHO RETIRES IN ACCORDANCE WITH CLAUSE 119**  
**OF THE COMPANY'S CONSTITUTION**

The poll result for the Ordinary Resolution 2 was carried as follows:-

| Resolution                   | Voted in Favour |         | Vote Against  |        | Results |
|------------------------------|-----------------|---------|---------------|--------|---------|
|                              | No. of Shares   | %       | No. of Shares | %      |         |
| <b>Ordinary Resolution 2</b> | 1,043,366,850   | 99.3721 | 6,592,603     | 0.6279 | Carried |

The Chairman declared that Ordinary Resolution 2 was carried as follows:-

*"That Mr. Gan Poh San, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company."*

**ORDINARY RESOLUTION 3**  
**PAYMENT OF DIRECTORS' FEES OF RM395,000.00 FOR THE PERIOD FROM 1 OCTOBER**  
**2022 TO 30 SEPTEMBER 2023, TO BE PAYABLE ON A QUARTERLY BASIS IN ARREARS**

The poll result for the Ordinary Resolution 3 was carried as follows:-

| Resolution                   | Voted in Favour |         | Vote Against  |        | Results |
|------------------------------|-----------------|---------|---------------|--------|---------|
|                              | No. of Shares   | %       | No. of Shares | %      |         |
| <b>Ordinary Resolution 3</b> | 1,112,346,177   | 99.9891 | 121,476       | 0.0109 | Carried |

The Chairman declared that Ordinary Resolution 3 was carried as follows:-

*"That the payment of Directors' fees of RM395,000.00 for the period from 1 October 2022 to 30 September 2023 be and is hereby approved."*

**ORDINARY RESOLUTION 4**  
**RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY UNTIL THE**  
**CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE**  
**DIRECTORS TO FIX THEIR REMUNERATION**

The poll result for the Ordinary Resolution 4 was carried as follows:-

| Resolution                   | Voted in Favour |         | Vote Against  |        | Results |
|------------------------------|-----------------|---------|---------------|--------|---------|
|                              | No. of Shares   | %       | No. of Shares | %      |         |
| <b>Ordinary Resolution 4</b> | 1,112,424,394   | 99.9952 | 53,259        | 0.0048 | Carried |

The Chairman declared that Ordinary Resolution 4 was carried as follows:-

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*"That Ernst & Young PLT be re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Board of Directors to fix their remuneration."*

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 5**

**AUTHORITY TO ISSUE SHARES PURSUANT TO COMPANIES ACT 2016**

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The poll result for the Ordinary Resolution 5 was carried as follows:-

| Resolution                   | Voted in Favour |         | Vote Against  |         | Results |
|------------------------------|-----------------|---------|---------------|---------|---------|
|                              | No. of Shares   | %       | No. of Shares | %       |         |
| <b>Ordinary Resolution 5</b> | 992,401,445     | 89.2064 | 120,076,208   | 10.7936 | Carried |

The Chairman declared that Ordinary Resolution 5 was carried as follows:-

*"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;*

*THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company 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 Act;*

*AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;*

*AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."*

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**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 6**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The poll result for the Ordinary Resolution 6 was carried as follows:-

| Resolution                   | Voted in Favour |         | Vote Against  |        | Results |
|------------------------------|-----------------|---------|---------------|--------|---------|
|                              | No. of Shares   | %       | No. of Shares | %      |         |
| <b>Ordinary Resolution 6</b> | 1,112,256,102   | 99.9825 | 194,851       | 0.0175 | Carried |

The Chairman declared that Ordinary Resolution 6 was carried as follows:-

*"THAT subject to Section 127 of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-*

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and*
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).*

*THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-*

- (i) cancel all the shares so purchased; and/or*
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or*
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or*

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

*THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -*

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- (a) *the conclusion of the next AGM of the Company following this AGM at which such resolution 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*
- (b) *the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or*
- (c) *revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;*

*Whichever occurs first.*

*AND THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."*

**TERMINATION**

The Chairman informed that the Independent Director, Mr. Koh Song Heng would retain office until the close of the 22nd AGM.

On behalf of the Board, the Chairman took this opportunity to express their gratitude and appreciation to Mr. Koh Song Heng for the support and contribution rendered by him to the Company during his tenure of office as an Independent Director of SKP.

There being no other business, the Chairman concluded the Meeting and thanked all present for their attendance. The Meeting ended at 12:01 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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GAN POH SAN  
CHAIRMAN

Dated: 23 September 2022



21 September 2022

**Minority Shareholders Watch Group**  
Level 23, Unit 23-2, Menara AIA Sentral,  
No. 30, Jalan Sultan Ismail,  
50250 Kuala Lumpur.

**Attn : Mr Devanesan Evanson (CEO)**

**Re: 22nd Annual General Meeting (“AGM”) of SKP Resources Bhd (“SKP or the “Company”)  
to be held on Friday , 23 September 2022**

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With reference to your letter dated 9 September 2022, below please find our answer to your queries:

**Operational & Financial Matters**

1. The Group’s business portfolio which comprises Electronics Manufacturing Services (“EMS”) and non-EMS segments across a wide range, which include Food and Beverage (“F&B”), Automotive, Industrial and Medical Industries has contributed resilience and cushioned well in the FY 2022. (Page 14 of AR 2022).
  - (a) What are the respective percentage share of revenue contribution from EMS and non-EMS segments?
  - (b) What are the respective growth rates and which segment yields a higher net profit margin?
  - (c) Which industry contributed the most revenue and what are the prospects from each industry?

**Our Reply**

The percentage of revenue contribution for EMS and non-EMS sectors are 84% (2021:81%) and 16% (2021:19%), respectively.

EMS segment yields a higher net profit margin.

Home appliances and electrical & electronics industries contributed the most revenue.

The directors expects that robust demand from home appliances and electrical & electronics sectors to continue in upcoming financial years leading to optimistic prospects for the above-mentioned industries.

Other industries such as food & beverages, automotive, industrial and medical industries are expected to further contribute to the Group’s revenue, albeit of anticipated market uncertainties ahead.

2. Throughout the year, the Group invested approximately RM94.39 million including the on-going construction of a brand-new facility in Johor Bahru which spans across built up area of 650,000 sq. feet. (Page 14 of AR 2022)

When will the new facility be operational? What will be the increase in capacity (%) with its completion? What is the current utilization rate and the rate when the new facility is operational?

**Our Reply**

The new facility will be operational by first half of calendar year 2023 onwards.

The directors anticipated that the capacity will further increase by 50% with the completion of new facility.

The current utilization rate of the plants operated by SKP Resources Berhad and its subsidiaries ("SKP Group") ranging from 80% to 90%.

3. The Group continuously challenged itself to achieve better measure of operational efficiency such as improved gross profit margin and net profit margin despite the sharp escalation in material costs due to disruption in supply chain and foreign labour shortage issue locally that worsen from time to time. (Page 15 of AR 2022)
  - (a) What concrete measures have been taken that have translated into increased operational efficiency?
  - (b) Is the Group still facing any acute disruption in supply chain and foreign labour shortage? How is the Group managing these issues?

**Our Reply**

SKP Group have taken various targeted measures that aims to streamlining of the supply chain, minimization of wastages besides conservation of efficient energy at operational level.

In addition, SKP Group has benefited from the gradual improvements arising from various initiatives adopted by SKP Group such as Six-Sigma Program, 8 Disciplines Program etc. Under Six-Sigma Program SKP Group continuously finds way to achieve continuous improvement in the operations via higher extent of involvement and inputs from various level of operational teams.

SKP Group faced minor disruption in supply chain and foreign labour shortage previously. As of date of replies, SKP Group is not facing acute disruption in supply chain and foreign labour shortage subsequent to lifting of the previously imposed freeze on hiring of foreign labour by local Government in addition to close liaison with major customers which provide guidance to SKP Group.

4. While remaining positive of the outlook and the positive business momentum ahead, the Group expects to face headwinds from the global components' shortages and other market uncertainties, including the impact of the on-going Russia-Ukraine war. (Page 16 of AR 2022)

What are the growth catalysts and what makes the Group positive of the outlook?

**Our Reply**

SKP Group is optimistic on the business outlook. The combination of ongoing trade war between US and China as well as the rising trend towards home appliances besides electronics and electrical products will auger well for our EMS segments.

5. At the reporting date, the Group has significant concentration of credit risk that may arise from 1 (2021: 1) customer who accounted for 76% (2021: 76%) of total trade receivables. The directors believe that this will not create significant credit risk for the Group in view of the length of relationship with this customer and the Group works closely with the customer to provide customer satisfaction through timely delivery and the provision of high-quality products and services at competitive cost. (Page 120 of AR 2022)
- (a) Besides concentration credit risk, there is also concern about customer concentration risk where the loss of the major customer will seriously impact the Group's revenue generation. How would the Group manage with the customer and credit concentration risks? What are the plans in place to mitigate or reduce such concentration risks and the timeline?
- (b) How many customers accounted for the remaining 24% of trade receivables or apart from the largest customer?

**Our Reply**

SKP Group have a relatively experienced in-house sale team to handle stringent requirement set up by various customers in addition to other responsibilities such as dealing and following up on various enquiries from potential customers.

SKP Group have received several enquiries from multi-national companies which intends to diversity their manufacturing bases to South East Asian countries amid the ongoing China US war trade.

SKP Group is confident that there are many valuable opportunities within EMS and non-EMS sectors in view of diversification of trade locally and globally in future and constantly pursuing for diversification in customer base, whenever opportunity arise.

There is diverse customer base that more than 100 customers accounted for the remaining 24% of trade receivables.

6. The Group principally operates in Malaysia and sell its good in Malaysia. Geographically, the main business segments of the Group are concentrated in Malaysia and the Group deals with mainly local customers. (Page 124 of AR 2022)

Does the Group have any plans of growing overseas? If not, why?

**Our Reply**

SKP Group primarily acting as contract manufacturer for its customers and based its manufacturing operations locally.

SKP Group is open to an endeavour of growing its manufacturing bases overseas, whenever opportunities arise.

7. Revenue from other segments increased by 53.5% from RM30.696 million in FY 2021 to RM47.119 million. (Page 124 of AR 2022)

What constitutes other segments and what contributed to the significant increase in revenue? What is the outlook for other segments?

**Our Reply**

Revenue from other segments mainly constitutes revenue derived from moulding and modification works amounted to RM46.989 million for current financial year ended 31 March 2022 (financial year ended 31 March 2021: RM30.544 million).

The significant increase in revenue from other segments is in line with increased orderbook for moulding and modification works received from customers in recent years.

The directors expects that robust demand for above mentioned customised services to continue in upcoming financial years leading to optimistic prospects for other segments in general.

**Corporate Governance and Sustainability Matters**

1. SKP is aware of the need to maintain diversity in the Company. In driving diversity, SKP is mindful of the need to strike a balance between local and foreign workers. This is to ensure that locals are given the opportunity to excel. (Page 24 of AR 2022)

Please explain what is meant by locals are given the opportunity to excel. Currently, local workers form 40% of the employees. What is the targeted composition between local and foreign workers and the timeline?

**Our Reply**

SKP Group advocate unwavering commitment in providing an equal work opportunity to local and foreigners.

SKP Group is cognizant of the importance of providing its employee the opportunities to learn the culture and processes of the Company besides opportunities to upskill for its workforce.

In addition, SKP Group practices fair and equal in all aspects of human resources management such as recruitment, selection, performance appraisal and compensation/benefits etc to all employee, regardless of nationality.

SKP Group adheres to the ratio of workforce between locals and foreign workers set by local authorities.