

EG INDUSTRIES BERHAD
Registration No. 199101012585 (222897-W)
(Incorporated in Malaysia)

Minutes of the **Thirty-Second Annual General Meeting (“32nd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** conducted through live streaming and online remote participation by using Remote Participation and Voting (“**RPV**”) Facilities via Securities Services e-Portal (“**SSeP**”) at <https://sshb.net.my/> from the broadcast venue at Plot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah, Malaysia on Wednesday, 29 November 2023 at 11.00 am

Present	In factory 1. Dato’ Kang Pang Kiang, Group Chief Executive Officer and Executive Director (“Dato’ Chairman”) – Chairman of the meeting 2. Mr. Ang Seng Wong, Non-Independent Non-Executive Director (“Non-INED”) 3. Mr. Lim Sze Yan, INED 4. Mr. Lee Kean Teong, INED 5. Ms. Tan Jie En, INED
	Via zoom meeting platform 6. Mr. Ong Lye Soon, Independent Non-Executive Chairman
In Attendance	Ms. Lau Yoke Leng, Company Secretary
External Auditors	Mr. Khoo Teng Jin, Audit Engagement Director, UHY
Shareholders/ Corporate Representatives/ Proxies/ Invitees	As per attendance list.

The shareholders, corporate representatives and proxies (collectively “**shareholders**”) as well as invitees who attended the 32nd AGM are set out in the Attendance List which formed an integral part of these minutes.

Chairman’s Welcome Address

Dato’ Kang Pang Kiang, Group Chief Executive Officer and Executive Director, chaired the 32nd AGM pursuant to Clause 76 of the Company’s Constitution (“**Dato’ Chairman**”). He extended a very warm welcome to all shareholders as well as guests for their participation at today’s 32nd AGM and for their continued support.

Dato’ Chairman then introduced members of the Board of Directors (“**Board**”), the Company Secretary and the representatives from the external auditors, UHY. He started the introduction on his right: The Company Secretary, Ms. Lau Yoke Leng (“**Ms. Lau**”) followed by Mr. Ang Seng Wong, the Non-Independent Non-Executive Director (“**Non-INED**”) and Mr. Lim Sze Yan, the INED. He continued on to introduce the INEDs seated on his left, namely, Mr. Lee Kean Teong and Ms. Tan Jie En.

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Dato' Chairman then introduced the Independent Non-Executive Chairman, Mr. Ong Lye Soon as well as Mr. Khoo Teng Jin, Audit Engagement Director of the external auditors, UHY, all of whom joined via the zoom online platform. In order to minimise connectivity issue as he was not at the broadcast venue with his fellow Directors, Mr. Ong did not chair the 32nd AGM.

Dato' Chairman then informed that this online platform is recognised as a meeting venue or place for the purpose of Section 327(2) of the Companies Act 2016 ("the Act") and also in compliance with Clause 67 of the Constitution of the Company. The usage of the RPV was an effort from the Board to capitalise on technology to reach out to shareholders and encourage participation.

Notice of Meeting

Dato' Chairman pointed out that notice of the 32nd AGM was announced and circulated to the shareholders, directors and auditors on 31 October 2023. The same, together with Annual Report 2023 incorporating Circular/Statement to Shareholders on Proposed New Shareholders' Mandate for Recurrent Related Party Transactions and Proposed Renewal of Authority for the Company to Buy-back its Own Shares, was also published through an announcement to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Company's website. An advertisement on the same also appeared on a nationally circulated newspaper. The Notice of the 32nd AGM was then declared and taken as read.

Call to order and determination of quorum

Dato' Chairman highlighted that the Constitution of the Company illustrates that two (2) members present in person or by proxy or by corporate representatives shall be a quorum. For a virtual general meeting, the quorum shall be determined by the number of members who logged-in at the start of this meeting. Dato' Chairman called the meeting to order and proceeded with the meeting proper upon receipt of confirmation from the Company Secretary that a quorum was present.

Voting Procedures

Dato' Chairman then informed that there were nine (9) Ordinary Resolutions to be tabled for approval by the shareholders. All these resolutions would be put to vote on poll in accordance with paragraph 8.29A of the Main Market Listing Requirements ("**MMLR**") of Bursa Securities. He added that the polling process would be conducted electronically through online remote voting using the RPV Facilities upon conclusion of the deliberations of all items on the meeting agenda.

Dato' Chairman then exercised his right, as Chairman of the meeting, to demand for poll in accordance with Clause 78 of the Company's Constitution for all nine (9) ordinary resolutions as stated in the Notice of the 32nd AGM. He also highlighted that he, in the capacity as chairman of the 32nd AGM, would be voting in accordance with the instructions given to him by the shareholders who had appointed him as their proxy.

He then pointed out that every member present virtually at this AGM either in person, or by corporate representative or by proxy, has the right to participate, speak and vote on the resolutions as stated in the agenda of this meeting.

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Administrative Announcements

Dato' Chairman then invited the Company Secretary, Ms. Lau to brief on the administrative matters.

Ms. Lau then explained the flow of the meeting by informing that it would start with a Corporate Presentation and followed by addressing the questions posed by Minority Shareholders Watch Group ("**MSWG**") before going through the nine (9) Ordinary Resolutions as set out in the Notice of the AGM. The polling process would be conducted electronically through online remote voting using the RPV Facilities upon conclusion of the deliberations of all items on the meeting agenda. She added that shareholders could start to vote now as the voting session had commenced until such a time to be announced later.

Ms. Lau informed that Securities Services (Holdings) Sdn. Bhd. ("**Securities Services**") is appointed as Polling Agent to conduct the electronic polling process by way of electronic means and Commercial Quest Sdn. Bhd. ("**Commercial Quest**") is the Independent Scrutineer to verify the poll results.

She added that shareholders could submit questions by typing into the text box below the live stream player within the same e-Portal page and the queries would then be transmitted during the meeting to the Directors. Management and the Directors would respond to the queries in the Q&A session after the 9 Ordinary Resolutions had been put to vote.

Ms. Lau highlighted that where there are areas of overlap in the scope of the questions asked, all related and similar questions would be grouped for reply. In the event certain questions are not able to be responded or due to time constraint, the answers to these questions would be included in the minutes of this AGM which would then be made available on the corporate website.

She then reminded all that attendance at this AGM is restricted to shareholders who had registered to join the meeting remotely. As discussion on matters that transpired in this AGM is deemed confidential and only for the knowledge of such relevant parties, Ms. Lau emphasised that any visual or audio recording of the meeting proceedings while the AGM is conducted is strictly prohibited.

Ms. Lau reminded shareholders that quality of the live streaming is also dependent on the bandwidth, stability and connectivity of internet connection at the locations of the remote participants.

She then invited the Polling Agent to feature a short audio clip on the step-by-step guide together with the online voting module within the e-Portal.

After the video feature, Ms. Lau invited Dato' Chairman to share the Group Performance Overview for the financial year ended 30 June 2023 ("**FY2023**").

Group Performance Overview for 2023

Dato' Chairman then briefed on Group Performance Overview for FY2023 with focus on landscape of the year under review and recent developments as follows:

(A) Landscape of Financial Year 2023

The Group achieved total revenue of RM1.3 billion, marking a notable 21% improvement as compared to preceding year on the back of higher sales from consumer electronic products, 5G wireless access and photonics modules related products.

The Group achieved net profit of RM39 million, an increase of 260% as compared to preceding year. The significant improvement in earnings was in tandem with higher revenue and favourable product mix of consumer electronics, 5G wireless access and photonics modular.

As at close of FY2023, shareholders' fund stood at RM439 million and the Group has a strong base of RM1.2 billion in total assets to build a bright future.

(B) Product Evolution

The Group started with the manufacturing of printed circuit board and assembly ("PCBA") for computer and data storage related products, and started venturing into box-build of consumer electronic products since year 2014. The Group has further extended its box-build portfolio with the manufacturing of 5G routers and 5G photonics in Year 2018 and Year 2023 respectively. Looking ahead, the Group will further expand its portfolio into 5G switches in Year 2024.

(C) Expansion - Smart Factory 4.0 in Batu Kawan, Penang

The construction of Smart Factory 4.0 in Batu Kawan, Penang is proceeding well, reaching 88% completion and on schedule for completion in early 2024. The 22,500 square meter new plant is earmarked for production of next generation technologies, including 5G photonics modules and other advanced upstream components. It would house 24 new production lines to be commissioned in phases over the next 2 years. The investment demonstrated the Group's commitment to expanding and advancing technological capabilities.

(D) Expansion - Smart Warehouses and International Procurement Centre ("IPC")

The Group is strategically expanding into smart warehouses and IPC with an estimated investment of RM40 million. These state-of-the-art facilities would redefine industrial productivity standards. Clients would enjoy real time inventory monitoring, cost efficiencies and attractive incentives by relocating their storage hubs from overseas to Malaysia whilst the IPC aimed to bolster local sourcing. The Group expects to commence operation by first half of 2024 after obtaining relevant warehousing and operational licenses.

(E) Partnership with other Global Leaders

The Group entered into a tripartite collaboration involving Yamaha Motor Co., Ltd., a Japanese automation giant and Premtronic Sdn. Bhd. to set up 5G automated intelligent SMT production lines in our Smart 4.0 Factory.

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This would eventually open new stream of revenue for the Group to deploy the in-house 5G photonics modules in other Light-out factories for other technology players.

Additionally, the Group has established partnership with a leading Ethernet switches company, facilitated via a 30% associate company, Genitronic (Malaysia) Sdn. Bhd. aimed to produce high speed 5G switches and network products utilising co-packaged optics technology. This strategic endeavour is poised to deliver significant value to all stakeholders.

(F) Corporate Social Responsibility

The Group actively supports students, underprivileged children and elderly homes by offering support through donations of food and medical equipment. Additionally, the Group has contributed to the revitalisation of bus stops in Sungai Petani, Kedah by refurbishing and repainting 10 bus stops in the town.

Questions & Answers (“Q&A”) Session from MSWG

Dato' Chairman then invited Ms. Loh Siew See, Group Accountant to read out the response to MSWG as summarised in Appendix A attached herein.

Ms. Lau thanked both Dato' Chairman and Ms. Loh Siew See. She proceeded to guide the meeting through the agenda items as stated in the Notice for the 32nd AGM.

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 and the Reports of Directors and Auditors thereon

1.1 The Audited Financial Statements and Reports of the Auditors and Directors for FY2023 which were circulated to all shareholders, Directors and auditors within the prescribed period, were tabled for shareholders' information. The Audited Financial Statements formed part of the 2023 Annual Report which was published on corporate website and released to Bursa Securities on 31 October 2023.

1.2 The Audited Financial Statements and Reports of the Auditors and Directors for FY2023 were not required to be approved by the shareholders and therefore, would not be put up for voting.

1.3 The Audited Financial Statements and Reports of the Auditors and Directors for FY2023 were then declared being duly received and noted by the shareholders.

2. Ordinary Resolution 1

To approve the Directors' Fees and benefits payable to the Directors of the Company up to an aggregate amount of RM350,000 commencing this AGM through to the next AGM of the Company in 2024 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine

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2.1 Ms. Lau informed that Ordinary Resolution 1 was to approve the payment of Directors' fees and benefits payable up to an aggregate amount of RM350,000 payable to the Directors of the Company for the period commencing this AGM through to the next AGM of the Company in 2024 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. She added that shareholders could refer to the Explanatory Notes to the Notice of AGM for details.

2.2 The motion for Ordinary Resolution 1 was put to vote by poll.

**3. Ordinary Resolution 2
To re-elect Mr. Ang Seng Wong who retires in accordance with Clause 99 of the Company's Constitution**

3.1 Ms. Lau informed that Ordinary Resolution 2 dealt with the re-election of Mr. Ang Seng Wong who retired pursuant to Clause 99 of the Company's Constitution and being eligible, had offered himself for re-election with the recommendation from the Nomination Committee ("NC") and the Board. Mr. Ang's profile and the Board's justifications and recommendations for the re-election are as set out in the Annual Report 2023.

3.2 The motion for Ordinary Resolution 2 was put to vote by way of poll.

**4. Ordinary Resolution 3
To re-elect Mr. Ong Lye Soon who retires in accordance with Clause 105 of the Company's Constitution**

4.1 Ms. Lau proceeded to Ordinary Resolution 3 which dealt with the re-election of Mr. Ong Lye Soon who retired pursuant to Clause 105 of the Company's Constitution and being eligible, had offered himself for re-election with the recommendation from the NC and the Board. His profile and the Board's justifications and recommendations for the re-election are as set out in the Annual Report 2023.

4.2 The motion for Ordinary Resolution 3 was put to vote by way of poll.

**5. Ordinary Resolution 4
To re-elect Ms. Tan Jie En who retires in accordance with Clause 105 of the Company's Constitution**

5.1 Ms. Lau proceeded to Ordinary Resolution 4 which dealt with the re-election of Ms. Tan Jie En who retired pursuant to Clause 105 of the Company's Constitution and being eligible, had offered herself for re-election with the recommendation from the NC and the Board. Ms. Tan's profile and the Board's justifications and recommendations for the re-election are as set out in the Annual Report 2023.

5.2 The motion for Ordinary Resolution 4 was put to vote by way of poll.

**6. Ordinary Resolution 5
To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration**

6.1 Ms. Lau informed the meeting that Ordinary Resolution 5 concerned the re-appointment of Messrs. UHY as Auditors of the Company for the ensuing year and authorised the Directors to fix their remuneration. UHY had expressed their willingness to accept the re-appointment.

6.2 The motion for Ordinary Resolution 5 was put to vote by way of poll.

6.3 Thereafter, Ms. Lau went on to table the Ordinary Resolutions under Special Business.

**7. Ordinary Resolutions 6
Retention of Independent Non-Executive Director (“INED”)**

7.1 Ms. Lau informed that Ordinary Resolution 6 concerned a proposal to retain Mr. Lim Sze Yan as INED of the Company in accordance with Malaysian Code on Corporate Governance and read together with the MMLR of Bursa Securities until the next AGM. She added that details of the Board’s justifications and recommendations for retaining him are as set out in the Notice of this meeting.

7.2 The motion for Ordinary Resolution 6 was put to vote by way of poll.

**8. Ordinary Resolution 7
Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

8.1 Ms. Lau said that Ordinary Resolution 7, if passed, would empower the Directors to allot and issue shares up to an aggregate number of shares not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company pursuant to Sections 75 and 76 of the Companies Act 2016 (“**the Act**”).

8.2 She explained that the Board is seeking mandate from the shareholders for waiver of pre-emptive rights under Section 85 of the Act reading together with Clause 13 of the Company’s Constitution. Shareholders’ approval today would allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of these new shares of the Company.

8.3 She added that renewal of the General Mandate would give the Board a certain amount of flexibility, when the need arises, to issue additional shares subject to approval of all relevant regulatory bodies being obtained where necessary.

8.4 The motion for Ordinary Resolution 7 was put to vote by way of poll.

**9. Ordinary Resolution 8
Proposed Renewal of Authority to Buy Back Its Own Shares by the Company**

9.1 Ms. Lau said that the passing of Ordinary Resolution 8 by the shareholders would allow the Directors to exercise the power of the Company to buy back its own shares of up to 10% of the total number of issued shares of the Company with effect from the date of passing of the resolution until the conclusion of the next AGM or, if earlier revoked or varied by the shareholders in a general meeting.

9.2 She added that the rationale for the Proposed Renewal of Authority for Share Buy-Back is set out in Part B of the Statement to Shareholders dated 31 October 2023.

9.3 The motion for Ordinary Resolution 8 was put to vote by poll.

**10. Ordinary Resolution 9
Proposed New Shareholders' Mandate for Recurrent Related Party Transactions**

10.1 Ms. Lau informed that Ordinary Resolution 9 dealt with the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions ("**RRPT**") for the Company and its subsidiaries (collectively "**the Group**") with the related parties as set out in Section 2.5 in Part A of the Circular to Shareholders dated 31 October 2023.

10.2 These RRPT were necessary for the Group's day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which were not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

10.3 She added that the obtaining of the Proposed New Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing substantially administrative time and expense in convening such meetings.

10.4 She stressed that the interested Major Shareholders and/or person(s) connected to them as listed under Section 4 on page 7 of the Circular to Shareholders (collectively "**Interested Persons**") were deemed interested in the Proposed Shareholders' Mandate. These Interested Persons had undertaken to abstain from voting, in respect of their respective direct and/or indirect shareholdings, on the Ordinary Resolution pertaining to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions.

10.5 The motion for Ordinary Resolution 9 was put to vote by way of poll.

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11. Any other business

- 11.1 The last item on the meeting agenda for this 32nd AGM was to transact any other business for which due notice shall have been received in accordance with the Act. Ms. Lau confirmed that the Company had not received any notice for transaction of any other business in this meeting.
- 11.2 Thereafter, Ms. Lau invited Dato' Chairman to proceed with the Questions & Answers session.

Questions & Answers session

Upon responding to all queries, Dato' Chairman thanked the shareholders for their queries and constructive comments. All replies to the written queries from shareholders are as summarised in Appendix B as attached.

Polling Process

Ms. Lau then informed that the meeting would proceed with polling process. The representative of Polling Agent featured a video clip again on the polling procedures for the conduct of poll at the AGM. The castings of votes by the shareholders were duly observed by the Independent Scrutineer.

After allowing 10 minutes for submission of votes and with consent of the meeting, the voting was closed to allow for poll verification process by the Independent Scrutineer.

Announcement of Polling Results

Dato' Chairman called the meeting to order for the declaration of the poll results in respect of the nine (9) Ordinary Resolutions. He thanked shareholders and invitees for their patience to wait for the results of the poll.

The poll results were scrutinised and verified by the Independent Scrutineer.

Dato' Chairman proceeded to announce the results of the poll as follows and the results of the poll were also projected for ease of view by all. He noted that 66,957,700 ordinary shares were abstained from voting on Ordinary Resolution 9.

Ordinary Resolution	For		Against	
	No. of shares	%	No. of shares	%
1	202,683,586	99.9844	31,600	0.0156
2	188,539,186	99.9951	9,200	0.0049
3	202,705,986	99.9955	9,200	0.0045
4	202,705,986	99.9955	9,200	0.0045

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Ordinary Resolution	For		Against	
	No. of shares	%	No. of shares	%
5	199,884,286	98.6035	2,830,900	1.3965
6	179,065,586	88.3336	23,649,600	11.6664
7	202,683,514	99.9844	31,672	0.0156
8	202,683,879	99.9846	31,307	0.0154
9	135,726,179	99.9769	31,307	0.0231

Based on the poll results, Dato' Chairman then declared that all nine (9) Ordinary Resolutions as tabled at the 32nd AGM were approved and carried by a majority votes:

Ordinary Resolution 1

To approve the Directors' Fees and benefits payable to the Directors of the Company up to an aggregate amount of RM350,000 commencing this AGM through to the next AGM of the Company in 2024 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine

"THAT the payment of the Directors' Fees and benefits payable up to an aggregate amount of RM350,000 commencing this AGM through to the next AGM of the Company in 2024 be and is hereby approved and further, approval be given to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine."

Ordinary Resolution 2

To re-elect Mr. Ang Seng Wong who retires in accordance with Clause 99 of the Company's Constitution

"THAT Mr. Ang Seng Wong be and is hereby re-elected as Director of the Company in accordance with Clause 99 of the Company's Constitution."

Ordinary Resolution 3

To re-elect Mr. Ong Lye Soon who retires in accordance with Clause 105 of the Company's Constitution

"THAT Mr. Ong Lye Soon be and is hereby re-elected as Director of the Company in accordance with Clause 105 of the Company's Constitution."

Ordinary Resolution 4

To re-elect Ms. Tan Jie En who retires in accordance with Clause 105 of the Company's Constitution

"THAT Ms. Tan Jie En be and is hereby re-elected as Director of the Company in accordance with Clause 105 of the Company's Constitution."

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Ordinary Resolution 5

To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration

“THAT Messrs. UHY be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next AGM and the Directors be and are hereby authorised to fix their remuneration.”

Ordinary Resolution 6

Retention of Independent Non-Executive Director

“THAT Mr. Lim Sze Yan be hereby retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance and read together with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) until the conclusion of the next AGM.”

Ordinary Resolution 7

Power to Issue Shares Pursuant to Sections 75 And 76 of the Companies Act 2016

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the MMLR of Bursa Securities and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act read together with Clause 13 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

FURTHER THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

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Ordinary Resolution 8
Proposed Renewal of Authority to Buy Back Its Own Shares by the Company

“THAT subject always to the Companies Act 2016 (“**the Act**”), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company and the MMLR of Bursa Securities and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company’s total number of issued shares through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being (“EG Shares”);
- (ii) the amount of fund to be allocated by the Company for the purpose of purchasing the EG 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 (where applicable);
- (iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:
 - (a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of the Bursa Securities or any other relevant authorities.
- (iv) upon completion of the purchase(s) of the EG Shares by the Company, the Directors of the Company be hereby authorised to deal with the EG Shares in the following manner:
 - (a) to cancel the EG Shares so purchased; or
 - (b) to retain the EG Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; or
 - (c) to retain part of the EG Shares so purchased as treasury shares and cancel the remainder; or
 - (d) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

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AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of EG shares.”

Ordinary Resolution 9

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions

“THAT subject to the provisions of the MMLR of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries (“**EG Group**”) to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 31 October 2023 which transactions are necessary for the day-to-day operations in the ordinary course of business of EG Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT, such approval, shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate.”

Conclusion

There being no further business, the meeting closed at 12.03 pm with a vote of thanks to Dato' Chairman.

Confirmed as a correct record

Dato' Kang Pang Kiang
Chairman of the Meeting

Response to Queries from Minority Shareholders Watch Group at the **Thirty-Second Annual General Meeting (“32nd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Wednesday, 29 November 2023

Operational and Financial Matters

1. The Group’s core business consists of two key categories, namely printed circuit board assembly (PCBA) and box-build. (page 6 of Annual Report (AR) 2023)

(a) What was the revenue breakdown between PCBA and box-build for FY2023? How was the trend over the last five years?

The percentage of revenue contribution from PCBA and box-build for FY2023 was 59% and 41% respectively. Box-build revenue has been steadily improving over the past 5 years, from 15% in FY2019 to 41% in FY2023.

(b) Who are your key customers for each category? What products do you do for them?

The key products which we manufacture and/or assemble under PCBA are hard-disk drive, data storage and consumer electronic products. Whereas the key products manufacture under box-build categories includes consumer electronic and medical related products, 5G wireless and wired access routers and 5G photonic modules.

We are unable to disclose the name of our key customers in view of the confidentiality agreements entered.

(c) Who are your main competitors and what is your competitive advantage against them?

The main competitors of the Group are other EMS manufacturers, both in Malaysia and abroad. Our competitive advantage lies in our holistic understanding of customers’ needs, lean and flexible process flow, skilled and dedicated workforce, increasing involvement in upstream activities, and continuous upgrading of our technological abilities.

(d) What was the Group’s total capacity and utilisation rate for both categories in FY2023?

Currently the Group has 36 SMT lines and total utilisation rate in FY2023 was 80%.

Response to Queries from Minority Shareholders Watch Group at the **Thirty-Second Annual General Meeting (“32nd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Wednesday, 29 November 2023

(e) What is the budgeted capex for FY2024 and its breakdown?

The Group’s budgeted capex for FY2024 is RM200.0 million with the bulk of capex allocated towards our Smart Factory 4.0 in Batu Kawan, as well as Smart Warehouses and International Procurement Centre (“IPC”) in Sungai Petani.

Estimated breakdown of FY2024 capex is as below:

	RM’ million
Construction of Smart Factory 4.0	80.0
Setup of Bonded warehouses and IPC	20.0
New equipment and machineries	100.0
	<u>200.0</u>

2. On 9 Nov 2022, The Group broke ground for the RM180 million Smart Factory 4.0 in Batu Kawan, Penang. The 22,500 square meter plant is earmarked for the production next-generation technologies, including 5G optical modules for CIG and other advanced components for multinational giants. (page 7 of AR 2023)

(a) How much additional capacity does this new factory add to the Group’s existing capacity?

We will place additional 24 new SMT lines in the new factory by phases, thus the Group’s SMT lines will increase from 36 to 60 lines thereafter.

(b) When do you expect this plant to commence production? And when do you expect it to run at full capacity?

Currently the construction has reached 88% and we are expecting the building to be fully constructed by January 2024. Barring any unforeseen circumstances, we are expecting the plant to commence production by second half of 2024 and reach 80% capacity by June 2025.

3. The fair value of quoted shares in Malaysia increased to RM11.9 million in FY2023 from RM6.8 million a year ago (page 115 of AR 2023). What are these quoted shares and their respective values as of 30 June 2023?

The RM11.9 million (2022: RM6.7 million) fair value of quoted shares shown in Page 115 of the AR 2023 are the Group’s investment in shares of companies listed on Bursa Malaysia. The increase in the fair value of these quoted shares was mainly due to appreciation of share price.

Response to Queries from Minority Shareholders Watch Group at the **Thirty-Second Annual General Meeting (“32nd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Wednesday, 29 November 2023

- 4. The Group’s effective tax rate was much lower than the statutory tax rate of 24% as a foreign subsidiary of the Company was granted promotional privileges under the Investment Promotion Act, B.E.2520 (page 134 of AR 2023). When is the expiry date of the pioneer status for this subsidiary? What is the projected effective tax rate for FY2024?**

Our foreign subsidiary has been granted a few promotional certificates under the Investment Promotion Act, B.E. 2520, out of which two will expire in 2024, and the remaining two certificates will expire in 2026 and 2027 respectively. The projected effective tax rate for FY2024 shall remain below 10%.

Corporate Governance Matters

- 5. Practice 13.6 of Malaysian Code on Corporate Governance stipulates that minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.**

EG’s response: Applied. The Minutes of the 31st AGM as well as all questions posted by the shareholders and responses thereto are made available on the Company’s corporate website at www.eq.com.my.

MSWG’s comment: As of November 17, no minutes or even summary of key matters discussed at the previous 31st AGM was published on the Company’s website. Please explain.

In respect of the minutes of the 31st AGM, the Company has uploaded the AGM Minutes on 29 December 2022 under the Tab marked “Investor Relations” and further sub-tab “Announcement”.

However, the Company noted the concern highlighted and has rectified the issue by creating a subsection for “Minutes of AGM/EGM” under our Investor Relation Tab in our corporate website <https://eq.com.my/agm/> to ease shareholders and stakeholders easy reference.

Response to Queries from shareholders posed at the **Thirty-Second Annual General Meeting** (“**32nd AGM**”) of **EG Industries Berhad** (“**EG**” or “**the Company**”) on Wednesday, 29 November 2023

Q1 Low Sook Meng
Top 3 customers make up close to 88% of FY2023 total revenue as per Note 32. How are you going to reduce the risk of customer dependency?

Answer

This is part of our strategy to select a number of key customers contributing significantly to our revenue, a trend that has grown over time through partnerships with strong-growing entities.

This strategic approach prioritises quality engagements over managing numerous customers with smaller individual contributions, a practice that often strains resources.

Simultaneously, we remain committed to seeking and engaging with new customers, enabling us to tap into emerging technologies' potential. This approach has yielded success, particularly evident in our strategy for 5G products, which has been a successful growth driver and will continue to fuel our future expansion.

Q2 UOU Resources Sdn Bhd
Are you benefitting from or affected by the US-China trade tension?

Answer

Trade tensions between US and China have strengthened Malaysia's value proposition to MNCs. Thus, our good track record in PCBA and box-build assembly for electronics, MNCs positions us well to potentially secure further new orders.

Q3 Beh Haw Chun
FY2023 gross profit margin improved from 4.0% to 7.7%. What drove the improvement and is it sustainable?

Answer

The notable improvement primarily stemmed from significantly higher gross profits driven by favourable product mix of consumer electronics, 5G wireless access and photonics modular related products.

We foresee a promising outlook for sustained profitability in the coming years propelled by robust demand for 5G wireless networks, broadband and photonics related products.

Response to Queries from shareholders posed at the **Thirty-Second Annual General Meeting (“32nd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Wednesday, 29 November 2023

Q4 Beh Haw Chun

Referring to the collaboration with Yamaha to set up in-house 5G automated SMT lines, please advise how much is the potential revenue from this in-house produced 5G high-speed technology for other Lights-Out setups?

Answer

At this stage, providing a specific revenue estimate is premature. The significance of producing in-house 5G components extends beyond potential revenue; it positions EG as more than a contract manufacturer, evolving into a technology provider. This venture into our upstream operations is promising, and we are enthusiastic about the future opportunities it presents in this domain.

Q5 Lim Thean Yeong

- (a) What is the current plant utilisation rate?**
- (b) What is the current order book on hand?**
- (c) How is the progress of the new plant in Batu Kawan? When is its anticipated completion?**
- (d) Has EG secured any customers or orders for the new plant yet?**
- (e) To my understanding, the company's largest sales come from the 5G module, primarily from a single customer in China. Has this demand slowed down due to the economic conditions in China?**

Answer

1. Our current plant utilisation stands at approximately 80%.
2. We operate based on client contracts rather than an order book system; however, our ongoing discussions with clients indicate a healthy flow of orders.
3. Construction progress at our Batu Kawan facility has reached 88% completion and is on schedule for an anticipated early 2024 completion.
4. Yes, we have successfully secured commitments from both existing and new customers for our new plant in Batu Kawan, Penang. We expect to reach 80% operational capacity at this facility by 2025.
5. The demand for our 5G modules remains robust, and despite prevailing economic conditions in China, we foresee sustained and possibly increased orders in the forthcoming quarters.

Q6 Wan Mohd Rushdi Bin W.A.Lah

- (a) I hope management will give e-voucher to all shareholder this AGM today.**
- (b) How company sustain revenue with current economic nowadays with unstability geopolitical situation between China and US? what is the impact for company?**

Response to Queries from shareholders posed at the **Thirty-Second Annual General Meeting** ("**32nd AGM**") of **EG Industries Berhad** ("**EG**" or "**the Company**") on Wednesday, 29 November 2023

Answer

1. As stated in the administrative guide, there is no provision of electronic voucher or door gift to shareholders.
2. Please refer to Q2 above.

Q7 Lau Chuan Hooi

- (a) **May I know what is the company's future outlook?**
- (b) **Will The Board consider giving door gifts such e-voucher or e-wallets for those participating in this AGM as a token of appreciation?**

Answer

1. The Group's future outlook remains positive and we expect more orders to come in the following quarters
2. As stated in the administrative guide, there is no electronic voucher or door gift to be given to shareholders.

Q8 Ooi Beng Hooi

Further to Q3 raised by MSWG, specifically, what are the names of listed companies our group invested in?

Answer

We are unable to disclose the name of the listed company we invested due to confidentiality, however the said company is from Industrial Product and Service sector.

Q9 Liew Chee Seng

Can the company pay more dividend for the coming year?

Answer

EG has announced on the Proposed Bonus Issue of Warrants to shareholders as a token of appreciation for their support.