

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

Minutes of the **Thirty-Third Annual General Meeting (“33rd 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://sshsb.net.my/> from the broadcast venue at Plot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah, Malaysia on Friday, 29 November 2024 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. Lim Sze Yan, Non-Independent Non-Executive Director (“Non-INED”) 3. Mr. Lee Kean Teong, INED 4. Ms. Tan Jie En, INED Via zoom meeting platform 5. Mr. Ong Lye Soon, Independent Non-Executive Chairman
In Attendance	Ms. Lau Yoke Leng, Company Secretary
External Auditors	Mr. Tio Shin Young, Audit Partner, UHY Malaysia Ms. Kee Lean Lean, Audit Manager, UHY Malaysia
Shareholders/ Corporate Representatives/ Proxies/ Invitees	As per attendance list.

The shareholders, corporate representatives and proxies (collectively “**shareholders**”) as well as invitees who attended the 33rd 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 33rd 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 33rd 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 Malaysia. He started the introduction on his right: The Company Secretary, Ms. Lau Yoke Leng (“**Ms. Lau**”) followed by Mr. Lim Sze Yan, the Non-Independent Non-Executive Director (“**Non-INED**”). He continued 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. Tio Shin Young, Audit Partner and Ms. Kee Lean Lean, Audit Manager of the external auditors, UHY Malaysia, 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 33rd 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 33rd AGM was announced and circulated to the shareholders, directors and auditors on 30 October 2024. The same, together with Annual Report 2024 incorporating Circular/Statement to Shareholders on Proposed New and Renewal of 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 also appeared on a nationally circulated newspaper. The Notice of the 33rd 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 are seven (7) 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 seven (7) ordinary resolutions as stated in the Notice of the 33rd AGM. He also highlighted that he, in the capacity as chairman of the 33rd AGM, would be voting in accordance with the instructions given to him by the shareholders who had appointed him as their proxy.

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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.

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 seven (7) 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 SS E Solutions Sdn. Bhd. 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 Board. Management and the Board would respond to the queries in the Q&A session after the 7 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 the Board could not address certain questions 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 2024 ("**FY2024**").

Group Performance Overview for 2024

Dato' Chairman then briefed on Group Performance Overview for FY2024 with focus on landscape of the year under review and recent developments as follows:

(A) Financial Performance

The Group achieved total revenue of RM1.14 billion, a decline of 15% as compared to preceding year. The decrease was due to slow down of global economy during first half of FY2024 for consumer electronics, 5G wireless access and photonics modular related products.

The Group achieved net profit of RM49.7 million, an increase of 28% as compared to preceding year. The significant improvement in earnings was primarily driven by better margins generated from a favourable product sales mix, improved yield from 5G wireless access and photonics modular related products, and a reduction in net foreign exchange loss.

As at close of FY2024, shareholders' fund stood at RM520.0 million and the Group has a strong base of RM1.5 billion in total assets to build a bright future.

(B) Product Evolution

The Group began its journey with the manufacturing of printed circuit boards and assemblies ("PCBA") for computer and data storage products. In 2014, it ventured into the box-build of consumer electronic products. The Group further expanded its box-build portfolio by manufacturing routers in 2018 and 5G routers and photonics in 2022/2023. In 2024, the Group added 5G switches to its portfolio. Looking ahead, the Group plans to expand into upstream components and Open AI Module in 2025.

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

The construction of Smart Factory 4.0 in Batu Kawan, Penang had been fully completed and expects to commence operation by early 2025. The 3-storey office and 2-storey production floor with warehouse occupying a total space of 7,023 sqm and 15,510 sqm respectively. The new plant is earmarked for production of next generation technologies, including 5G photonics modules, network switches, Data Center Devices and AI modules. The 2-storey production floor would be fully occupied in phases over the next 2 years with an estimated capital investment of RM80.0 million.

(D) Expansion - New Public Bonded Warehouses

The Group is strategically expanding into smart warehouses with 4 Public Bonded Smart Warehouses with total space of 4,780 sqm. These state-of-the-art facilities would redefine industrial productivity standards. Smart warehouses would allow clients to monitor inventories in real time and benefit from greater cost advantage to move their overseas-located storage hubs to Malaysia. The Group had obtained Public Bonded Warehouse License in November 2024 and expects to commence operation by early 2025. Company J and Company W are keen to take up the bonded warehouse to set up automation bonded warehouse for its customer's components and IPC center respectively. The future expansion aims to build a smart city within the Kedah state.

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(E) Corporate Social Responsibility (“CSR”)

The Group has been actively involved in various CSR initiatives to support and uplift the community. These include sponsoring equipment and scholarships for schools, completing the third phase of the bus stop revitalisation project in Sungai Petani, and championing the Green Earth Program to offset greenhouse gas emissions. The Group has also enriched the community's cultural landscape with vibrant artwork, planted corals around Langkawi's island, and organised a blood donation campaign at hospital in Sungai Petani.

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

Dato' Chairman then invited a representative of the Company, Ms. Yasmin Binti Muhammad Hafeez, to read out the response to MSWG's questions as summarised in Appendix A attached herein.

Upon conclusion of the sharing of the Board's response to MSWG's questions, Ms. Lau thanked both Dato' Chairman and Ms. Yasmin. She proceeded to guide the meeting through the agenda items as stated in the Notice for the 33rd AGM.

1. **To receive the Audited Financial Statements for the financial year ended 30 June 2024 and the Reports of Directors and Auditors thereon**
 - 1.1 The Audited Financial Statements and Reports of the Directors and Auditors for FY2024 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 Annual Report 2024 which was published on corporate website and released to Bursa Securities on 30 October 2024.
 - 1.2 The Audited Financial Statements and Reports of the Directors and Auditors for FY2024 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 Directors and Auditors for FY2024 were then declared being duly received and noted by the shareholders.

2. To approve the Directors' Fees and benefits payable to the Directors of the Company up to an aggregate amount of RM350,000 commencing one day after this AGM through to the next AGM of the Company in 2025 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine
Ordinary Resolution 1

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 one day after this AGM through to the next AGM of the Company in 2025 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. To re-elect Mr. Lee Kean Teong who retires in accordance with Clause 99 of the Company's Constitution
Ordinary Resolution 2

3.1 Ms. Lau informed that Ordinary Resolution 2 dealt with the re-election of Mr. Lee Kean Teong 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. Lee's profile and the Board's justifications and recommendations for the re-election are as set out in the Annual Report 2024.

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

4. To re-elect Dato' Kang Pang Kiang who retires in accordance with Clause 99 of the Company's Constitution
Ordinary Resolution 3

4.1 Ms. Lau proceeded to Ordinary Resolution 3 which dealt with the re-election of Dato' Kang Pang Kiang 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 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 2024.

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

5. To re-appoint Messrs. UHY Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration Ordinary Resolution 4

5.1 Ms. Lau informed the meeting that Ordinary Resolution 4 concerned the re-appointment of Messrs. UHY Malaysia as Auditors of the Company for the ensuing year and authorised the Directors to fix their remuneration. UHY Malaysia had expressed their willingness to accept the re-appointment.

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

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

6. Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 Ordinary Resolution 5

6.1 Ms. Lau said that Ordinary Resolution 5, 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**").

6.2 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.

6.3 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.

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

7. Proposed Renewal of Authority to Buy Back Its Own Shares by the Company Ordinary Resolution 6

7.1 Ms. Lau said that the passing of Ordinary Resolution 6 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.

7.2 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 30 October 2024.

7.3 The motion for Ordinary Resolution 6 was put to vote by poll.

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8. Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions Ordinary Resolution 7

- 8.1 Ms. Lau informed that Ordinary Resolution 7 dealt with the Proposed New and Renewal of 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 2.4 in Part A of the Circular to Shareholders dated 30 October 2024.
- 8.2 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.
- 8.3 She added that the obtaining of the Proposed New and Renewal of 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.
- 8.4 She stressed that the interested Major Shareholders and/or person(s) connected to them as listed under Section 4 on page 6 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 and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.
- 8.5 The motion for Ordinary Resolution 7 was put to vote by way of poll.

Any other business

9. The last item on the meeting agenda for this 33rd 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. Thereafter, Ms. Lau invited Dato' Chairman to proceed with the Questions & Answers session.

Questions and answers

10. 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 summarised in Appendix B as attached.

Polling Process

11. 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 casting of votes by the shareholders were duly observed by the Independent Scrutineer.

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12. 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

13. Dato' Chairman called the meeting to order at 12.06 pm for the declaration of the poll results in respect of the seven (7) Ordinary Resolutions. He thanked shareholders and invitees for their patience to wait for the results of the poll.
14. The poll results were scrutinised and verified by the Independent Scrutineer.
15. 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 63,884,800 ordinary shares were abstained from voting on Ordinary Resolution 7.

Ordinary Resolution	For		Against	
	No. of shares	%	No. of shares	%
1	291,356,889	99.9923	22,502	0.0077
2	245,930,727	99.8620	339,764	0.1380
3	291,369,191	99.9965	10,200	0.0035
4	291,249,727	99.9555	129,664	0.0445
5	288,149,889	98.8917	3,229,502	1.1083
6	290,847,289	99.8174	532,102	0.1826
7	227,494,389	99.9999	202	0.0001

Based on the poll results, Dato' Chairman then declared that all seven (7) Ordinary Resolutions as tabled at the 33rd 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 one day after this AGM through to the next AGM of the Company in 2025 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine

"THAT the Directors' Fees and benefits payable to the Directors of the Company up to an aggregate amount of RM350,000 commencing one day after this AGM through to the next AGM of the Company in 2025 be and are hereby approved and further that, approval be given to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine."

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Ordinary Resolution 2

To re-elect Mr. Lee Kean Teong who retires in accordance with Clause 99 of the Company's Constitution

"THAT Mr. Lee Kean Teong 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 Dato' Kang Pang Kiang who retires in accordance with Clause 99 of the Company's Constitution

"THAT Dato' Kang Pang Kiang be and is hereby re-elected as Director of the Company in accordance with Clause 99 of the Company's Constitution."

Ordinary Resolution 4

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

"THAT Messrs. UHY Malaysia 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 5

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 Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**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.

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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.”

Ordinary Resolution 6
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

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- (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.

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 7

Proposed New and Renewal of 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 30 October 2024 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.”

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Conclusion

There being no further business, the meeting closed at 12.08 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-Third Annual General Meeting (“33rd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Friday, 29 November 2024

Operational and Financial Matters

- 1. EG’s Smart Factory 4.0 in Batu Kawan, Penang, is set to commence operations in early 2025, with Cambridge Industries Group (CIG) securing a substantial portion of the floor space to produce 5G optical modules and other advanced technologies. (page 7 of AR 2024)**

In reply to MSWG’s question 2 b) during last year’s AGM, EG mentioned that it expects the plant to commence operation by the second half of 2024 and reach 80% capacity by June 2025.

- (a) What were the reasons for the delay in the expected startup timeline?**

The delay in the expected start-up timeline is primarily due to unforeseen circumstances beyond our control. One significant factor is the high-end, state-of-the-art equipment provided by the customer, which requires extensive and detailed calibration and commissioning process, including precise stability and vibration testing. Additionally, unexpected building works mandated by local authorities prior to obtaining the Certification of Completion and Compliance (“CCC”) also contributed to the delay.

- (b) How will the delay in starting operations affect the overall production schedule, particularly in achieving the 80% capacity target by June 2025?**

The delay shifts the production ramp-up timeline, but the Group expects operations to scale progressively towards the 80% target in second half of calendar year 2025.

- (c) How much floor space will be occupied by CIG? What specific advanced technologies will be produced at the Batu Kawan facility in addition to 5G optical modules?**

CIG is expected to occupy approximately 25% of the total floor space. The new facility will focus on upstream components, including but not limited to 5G optical modules with advance capacities such as 800G and 1.6T, network switches, data center devices and artificial intelligence (“AI”) driven automation systems.

Response to Queries from Minority Shareholders Watch Group at the **Thirty-Third Annual General Meeting (“33rd AGM”)** of **EG Industries Berhad (“EG” or “the Company”)** on Friday, 29 November 2024

2. EG’s new warehouses in Sungai Petani have been fully constructed. These facilities are now in the final stages of obtaining a public bonded warehouse license, which is expected to be completed in the coming months. Once operational by early 2025, it will establish a new revenue stream for EG and strengthen its position as a true end-to-end one-stop centre for its multinational clients, offering integrated storage and procurement solutions. (page 8 of AR 2024)

(a) What is the total investment for these new warehouses? And what is the expected return on investment?

The total investment for these warehouses is approximately RM30.0 million. The Group has recently obtained a public bonded warehouse license, with operations scheduled to commence by early 2025.

The return on investment (“ROI”) is projected over 10 years, subject to factors such as timely commencement of operations by 3Q FY2025, warehouse utilisation rates, and the range of services required by clients, whether limited to warehousing or inclusive of value-added services.

While expected to be a profitable venture in the foreseeable future, the primary purpose of these warehouses is to broaden our services, providing a comprehensive end-to-end solution. This strategic move aims to foster client loyalty, build long-term relationships, and enhance the overall value proposition for our clients.

(b) Who are the key target customers for these integrated storage and procurement solutions? Will EG focus on specific industries or geographic markets?

The priority will be serving long-term clients while attracting new ones by offering end-to-end solutions, including raw material procurement, manufacturing, and logistics to deliver finished goods internationally. The bonded warehouse will support the Group’s export-driven business by providing secure storage under customs bond, deferred duty payments, and value-added services such as repackaging, labelling, and inventory management.

This facility will improve supply chain efficiency and reinforce EG and Malaysia’s position as a hub for advanced electronics, automotive, and AI-driven technologies.

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- (c) Are there any unique technologies or systems being implemented in these new warehouses that will differentiate them from other storage facilities that EG operates?**

The key feature of the warehouse is its technological readiness, equipped to implement in-house Warehouse Management System (“WMS”) technologies, including real-time tracking, automated storage and retrieval systems (“ASRS”), and AI-driven analytics. The facility is modular and adaptable, capable of catering to the specific needs of customers and varying levels of supply chain or warehousing sophistication.

Additionally, the integration of real-time visibility tools allows customers to view and monitor inventory movement through live CCTV feeds. This provides an added layer of transparency and enhances control over their supply chain operations.

- 3. The Group has other investments totaling RM9.8 million in FY2024, mainly in quoted shares in Malaysia. (page 122 of AR 2024)**

- (a) What is the strategic rationale behind the Group’s decision to invest in quoted shares? How does this fit into the Group’s broader corporate strategy of being a high-value upstream component manufacturer?**

The Group’s decision to invest in quoted shares is part of a broader strategy to optimise returns on available funds while maintaining financial flexibility. Any returns generated from these investments can be reinvested on a priority basis to support key areas such as research and development, capacity expansion, technological advancements, and other strategic initiatives that align with the Group’s long-term growth objectives.

- (b) Please provide the name of these quoted shares and their respective values as of 30 June 2024. What is the expected return on investment from these quoted shares?**

As of 30 June 2024, the Group's investments in quoted shares amounted to RM9.8 million, representing approximately 1.88% of the Group's shareholders' funds of RM520 million, indicating that these investments constitute a small proportion of the Group's financial position. The Group will not disclose specific details of these investments to prevent undue speculation and potential fluctuations in the share prices of the investee companies.

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- (c) **What are the criteria applied in the evaluation and selection process of these quoted shares and what level of due diligence was undertaken prior to committing to these investments?**

The evaluation and selection process for these quoted shares is based on criteria such as financial performance, growth potential, and market position. As these are quoted investments, the Group primarily relied on publicly available information, including audited financial statements and disclosures. The due diligence process was largely conducted using this verified and publicly accessible data to ensure that informed decisions were made.

Corporate Governance Matters

4. **Practice 5.9 of the MCCG stipulates that the Board should comprise at least 30% women directors.**

Company’s response: Departure. Ms. Tan Jie En, the sole female Director testified to the Company’s commitment on gender diversity for female representation on the Board. The NC and the Board will consider gender diversity as part of its future selection and will look into increasing female board representation going forward.

MSWG’s comments: What are the challenges faced by the Company in sourcing for women directors? When does the Company expect to adopt Practice 5.9?

The sourcing, identification, and selection of candidates for board vacancies are based strictly on merit, with due consideration for gender diversity. While the Group is committed to adopting Practice 5.9 to enhance female participation at the leadership apex, the Board believes that merit-based appointments are crucial for maintaining an effective Board that supports the Group's long-term growth objectives.

Sustainability Matters

5. **The Group’s Scope 2 emissions jumped 52% to 13,733 TCO₂e in FY2023. (page 32 of AR 2024)**

- (a) **What factors contributed to the huge jump in Scope 2 emissions in FY2023?**

The significant increase in Scope 2 emissions during the financial year ended 30 June 2023 (“FY2023”) was primarily due to the ramp up in production lines post Covid-19 pandemic and the expansion of Division 1 operations, which fully occupied the facility.

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(b) Has the Group implemented any measures to reduce its Scope 2 emissions?

The Group has implemented several abatement activities to reduce Scope 2 emissions, including the utilisation of renewal energy sources such as solar.

(c) What specific targets has the Group set to reduce emissions in FY2025?

In respect of FY2025, the Group has set a target to reduce emissions by 4% from the base year FY2022, with annual renewable energy generation and use projected to reach up to 250 MWh.

6. Lost time injuries (“LTI”) showed a big jump from 10 in FY2023 to 111 in FY2024. (page 42 of AR 2024)

(a) Please explain the reasons for the significant increase in LTI.

The significant increase in LTI recorded in FY2024 was primarily due to a fall-from-height incident, which led to the injured employee requiring 21 days of hospitalisation and 90 days of medical leave, contributing substantially to the rise in lost man-days.

(b) What corrective actions have the Group implemented to ensure such incidents do not recur in the future?

To prevent future incidents, the Group has implemented several corrective actions including more stringent monitoring of high-risk activities by the safety and security team and the introduction of working platforms for all work at heights. The use of temporary platforms for work at heights is now strictly prohibited.

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Q1 Lau Chuan Hooi

- (a) May I know, what is the company’s future outlook?**
(b) Will the Board consider giving door gift such as 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. As highlighted in the 2024 Annual Report, we have secured a second LOI from our US-based customer for the exclusive production of advanced 5G Photonics Modules and awarded a confirmed Purchase Order (“PO”) valued at USD117 million for 5G photonics-related products.
2. As stated in the administrative guide, there is no electronic voucher or door gift to be given to shareholders.

Q2 Say Zheng Zhee

In the Annual Report, management stated that the group is planning a CAPEX of up to RM200 million for FY2025. Could the Board clarify how this amount will be allocated between the Penang and Kedah plants, and explain how these activities will be funded, given the Group’s relatively high gearing?

Answer

The bulk of the CAPEX allocation is earmarked for the Batu Kawan new plant which is being outfitted presently for mass production next year. Funding is through a mix of financing and internally generated funds.

Q3 Say Zheng Zhee

During an interview with The Star Bizweek, the CEO mentioned that the Company has secured contracts with data centers. Could management provide additional insights on the significance of these contracts? Specifically, how substantial are the contracts secured thus far, and are they exclusively for data centers located in Malaysia?

Answer

The Group is bound by confidentiality clause so details could not be disclosed presently.

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Q4 Say Zheng Zhee

On June 5, SMT Technologies secured a confirmed purchase order valued at USD 117 million. However, this significant purchase order was not disclosed to the public until July 19. We would appreciate it if the Board could clarify the reason for this delay. Moving forward, we recommend that the management ensure material announcements of public interest are made in a more timely manner.

Answer

While the PO was issued in June 2024, the executive leadership carefully considered the provisions of the Main Market Listing Requirements regarding unwarranted promotional disclosures. They decided in July 2024 that it was best to share the information, which resulted in the timing gap.

Q5 Chin Wai Hoong

What is the utilization rate for current Sungai Petani plant, new Batu Kawan plant and bonded warehouse when start operating?

Answer

Currently the utilisation rate in Sungai Petani plant is more than 85%.

Q6 Chee Hong Kok

What is the current market of its quoted shares in Malaysia?

Answer

You may refer to the website of Bursa Malaysia Securities Berhad for the quoted shares as these are publicly traded shares in the market.