

## EG INDUSTRIES BERHAD

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

Minutes of the **Thirty-First Annual General Meeting (“31<sup>st</sup> AGM”)** of **EG Industries Berhad (“EGIB” or “the Company”)** conducted through live streaming and online remote participation by using Remote Participation and Voting (“**RPV**”) Facilities via meeting platform at [www.agriteum.com.my](http://www.agriteum.com.my) in Malaysia on Tuesday, 29 November 2022 at 11.30 am

---

Present	In factory 1. Dato’ Kang Pang Kiang, Group Chief Executive Officer/ Executive Director (“Dato’ Chairman”) 2. Mr. Ang Seng Wong, Adrian, Senior Independent Non- Executive Director (“INED”) 3. Mr. Lim Sze Yan, INED (“Mr Lim”) 4. Mr. Lee Kean Teong, INED (“Mr Lee”) Via teams 5. Mr. Keh Chuan Seng, Non-Independent Non-Executive (“NINE”) Chairman (“Mr Keh”)
In Attendance	Ms. Lau Yoke Leng, Company Secretary
Auditor	Mr. Khoo Teng Jin, the engagement partner of the external auditors, (“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 31<sup>st</sup> AGM are set out in the Attendance List attached to and 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 31<sup>st</sup> 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 31<sup>st</sup> AGM and for their continued support.

Dato’ Chairman then introduced members of the Board of Directors (“**Board**”), the Company Secretary and the audit engagement partner. He started with introducing Ms. Lau Yoke Leng (“**Ms. Lau**”), the Company Secretary and the Independent Non-Executive Directors, Mr. Lee Kean Teong followed by Mr. Ang Seng Wong and Mr. Lim Sze Yan who were all present at the main meeting venue with him. He then introduced the Non-Independent Non-Executive Chairman, Mr. Keh Chuan Seng and Mr. Khoo Teng Jin, the engagement partner of the external auditors, UHY, both of whom joined via the zoom online platform. Mr. Keh is unwell and therefore unable to chair the meeting.

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 31<sup>st</sup> AGM.

## **EG INDUSTRIES BERHAD**

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

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

### **Call to order and determination of quorum**

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.

### **Administrative Announcements**

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

She explained that shareholders may submit questions through the Question & Answers icon and the questions would be addressed during the Question & Answers session later. Where there are areas of overlap in the scope of the questions asked, the related and similar questions would be grouped and be replied accordingly. In the event certain questions are not able to be responded or due to time constraint, the answers to the questions would be responded in the minutes of this AGM which would then be made available on the corporate website.

She added that quality of the live streaming is dependent on the bandwidth, stability and connectivity of internet connection at the locations of the remote participants. She then highlighted that the attendance at this AGM is restricted to shareholders, proxies and authorised representatives of corporate shareholders who have registered to join the meeting remotely.

As discussion on matters that transpired in this AGM was deemed confidential and only for the knowledge of such relevant parties, any visual or audio recording of the meeting proceedings while the AGM was conducted was strictly prohibited. She then invited Dato' Chairman to continue with the proceeding.

### **Notice of Meeting**

The Company Secretary informed that notice of the 31<sup>st</sup> AGM was announced and circulated to the shareholders, Directors and auditors on 31 October 2022. The same was also published through an announcement to Bursa Malaysia Securities Berhad ("Bursa Securities") and the Company's website respectively. The Notice of the 31<sup>st</sup> AGM was declared and be taken as read.

### **Voting Procedures**

Ms. Lau highlighted that all 9 Ordinary Resolutions would be put to vote by poll electronically and remotely via the RPV Facilities. **AGRITEUM** Share Registration Services Sdn. Bhd. is appointed as the Poll Administrator to conduct the poll by way of electronic means while Symphony Corporate Services Sdn. Bhd. is appointed as Independent Scrutineer to verify the poll results.

She highlighted that the voting session had commenced until such a time to be announced later. The results of the poll voting will be announced upon conclusion of the deliberations of all items on the meeting agenda.

**EG INDUSTRIES BERHAD**

Registration No. 199101012585 (222897-W)

(Incorporated in Malaysia)

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

She then invited Dato' Chairman to share on Group Performance Overview for the financial year ended 30 June 2022 ("**FY2022**").

**Group Performance Overview for 2022**

Dato' Chairman then briefed on Group Performance Overview for FY2022 with focus on landscape of the year under review and recent developments as follows:

**(A) Landscape of Financial Year 2022**

Dato' Chairman highlighted that EGIB, an Electronic Manufacturing Services ("EMS") player serving global clients, is affected by 2 major macro-economic challenges. Firstly, Covid-19 pandemic greatly disrupted global supply chains which led to shortage of key components and secondly, the Russia-Ukraine war had worsened global inflation. These factors had a negative impact on all industry players worldwide.

Despite the aforesaid challenges, EGIB stayed profitable in FY2022 with RM10.8 million net profit on the back of RM1.1 billion in revenue.

He expressed his gratitude to the dedicated and committed management team and staff who have worked very hard to achieve these results.

As at close of FY2022, EGIB shareholders' fund stood at RM385.5 million and the Company has a strong base of nearly RM1 billion total assets to build a bright future.

**(B) Outlook for Financial Year 2023**

On 26 October 2022, EGIB had signed a Letter of Intent ("LOI") with Cambridge Industries Group ("CIG"), a US based group to produce advanced 5G wireless network optical modules.

CIG intended to transfer their 5G photonics modular technology to EGIB and this would be the FIRST technology transfer for 5G photonics in Southeast Asia.

Moving forward, apart from expanding on the current and new range of products from both PCBA and box-build processes, the Group would add 5G photonics modular products, an upstream semiconductor component, into its portfolio.

Dato' Chairman added that EGIB have supported CIG since year 2018 to produce box-build of wireless and wired access routers and gateway products. The LOI is a mark of confidence of CIG in EGIB to produce the state-of the art 5G optical modules. He further added that relevant announcements shall be made once EGIB has entered into agreement with CIG.

Dato' Chairman also proudly announced that EGIB would be CIG's first manufacturing partner outside China by supporting CIG through EGIB's existing plant in Sungai Petani, Kedah and upcoming Smart Factory 4.0 in Batu Kawan, Penang.

**(C) Smart Factory 4.0 in Batu Kawan, Penang**

Dato' Chairman highlighted that the groundbreaking ceremony for EGIB's 1<sup>st</sup> Fully Automated "Light Out" Smart Factory 4.0 in Batu Kawan, Penang was officiated by Penang Deputy Chief Minister - Datuk Ahmad Zakiyuddin Abdul Rahman, together with CEO of Invest Penang - Dato' Loo Lee Lian, on 9<sup>th</sup> November 2022.

The 6-acre site would deploy "Light Out Manufacturing" technology with completely networked environment and autonomous manufacturing which could be controlled remotely by experts.

EGIB hoped to create 1,000 high value jobs when the Batu Kawan plant is ready in year 2024.

**(D) Developing talent for long-term growth**

Moving forward, EGIB's two-pronged focus are people (software) together with machinery and equipment (the hardware).

In the pipeline are talent development programs to recruit human capital necessary to secure long-term growth, so that EGIB can RESET, RECHARGE, REFOCUS and REGAIN EGIB to be the preferred EMS Player in the world.

EGIB had a potential university collaboration with AIMST University and welcome intent and fresh graduates to join EGIB to sustain long-term growth.

After the presentation by Dato' Chairman, Ms. Lau proceeded to guide the meeting through the agenda items as stated in the Notice for the 31<sup>st</sup> AGM.

**1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 and the Reports of Directors and Auditors thereon.**

1.1 The Audited Financial Statements and Reports of the Auditors and Directors for FY2022 which were circulated to all shareholders, Directors and auditors within the prescribed period, were tabled for shareholders' information.

1.2 The Audited Financial Statements and Reports of the Auditors and Directors for FY2022 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 FY2022 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 2023 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine**

**EG INDUSTRIES BERHAD**

Registration No. 199101012585 (222897-W)

(Incorporated in Malaysia)

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

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 2023 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine.

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

**3. Ordinary Resolution 2  
To re-elect Dato' Kang Pang Kiang who retired 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 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 Nomination Committee and the Board of Directors.

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

**4. Ordinary Resolution 3  
To re-elect Mr. Lim Sze Yan who retired in accordance with Clause 99 of the Company's Constitution**

4.1 Ms. Lau proceeded to Ordinary Resolution 3 which dealt with the re-election of Mr. Lim Sze Yan 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 and the Board of Directors.

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

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

5.1 Ms. Lau informed the meeting that Ordinary Resolution 4 concerned the re-appointment of Messrs. UHY as Auditors of the Company for the ensuing year and authorisation to the Directors to fix their remuneration. UHY 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 Ms. Lau went on to table the Ordinary Resolutions under Special Business.

## **Special Business**

### **6. Ordinary Resolutions 5 Retention of Senior Independent Non-Executive Director (“Senior INED”)**

6.1 She informed the meeting that Ordinary Resolution 5 concerned a proposal to retain Mr. Ang Seng Wong as Senior INED of the Company in accordance with the Malaysian Code on Corporate Governance (“MCCG”) and read together with the Main Market Listing Requirements (“MMLR”) of Bursa Securities. She added that details of the Board’s justifications and recommendations for retaining Mr. Ang Seng Wong are as set out in the Notice of this meeting.

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

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

7.1 She went on to inform that Ordinary Resolution 6 concerned a proposal to retain Mr. Lim Sze Yan as INED of the Company in accordance with MCCG 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 shareholders’ approval for this resolution would also mean that the shareholders agree to disapply statutory pre-emption rights under the Section 85 of the Act, 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.

8.3 She requested the motion being modified to incorporate a reference to Clause 13 of the Company’s Constitution so that Section 85 of the Act is to read together with Clause 13 of the Company’s Constitution.

8.4 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.

8.5 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  
("Proposed Renewal of Authority for Share Buy-Back")**

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 are set out in Part B of the Circular to Shareholders dated 31 October 2022.

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

**10. Ordinary Resolution 9  
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party  
Transactions between the Company and/or its Subsidiaries ("Proposed  
Shareholders' Mandate")**

10.1 Ms. Lau informed that Ordinary Resolution 9 dealt with the Proposed Shareholders' Mandate 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 31 October 2022.

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 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 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 abstained from voting, in respect of their respective direct and/or indirect shareholdings, on the Ordinary Resolution pertaining to the Proposed Shareholders' Mandate.

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

**EG INDUSTRIES BERHAD**

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

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

**11. Any other business**

- 11.1 The last item on the meeting agenda for this 31<sup>st</sup> AGM was to transact any other business for which due notice shall have been received in accordance with the Companies Act 2016. Ms. Lau confirmed that the Company had not received any notice for transaction of any other business in this meeting.

**12. Questions & Answers session**

- 12.1 Dato' Chairman then proceeded to the Questions & Answers session. All replies to the written queries from shareholders were as summarized in Appendix A as attached.
- 12.2 Dato' Chairman then thanked the participants for their queries.

**13. Polling Process**

- 13.1 Ms. Lau continued on with polling process. The representative of Poll Administrator played a video 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 5 minutes for submission of votes and with consent of the Meeting, Dato' Chairman declared closure of voting at 11.55 am for 15 minutes to allow for poll verification process by the Independent Scrutineer.

**14. Announcement of Polling Results**

- 14.1 At 12.10 pm, 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.
- 14.2 The poll results were scrutinised and verified by the Independent Scrutineer.
- 14.3 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 99,019,524 ordinary shares abstained from voting on Ordinary Resolution 9.

Ordinary Resolution	For		Against	
	No. of shares	%	No. of shares	%
1	165,932,204	81.979587	36,474,529	18.020413
2	166,022,206	82.024053	36,384,527	17.975947
3	202,394,130	99.993773	12,603	0.006227
4	202,402,730	99.998022	4,003	0.001978
5	202,394,130	99.993773	12,603	0.006227
6	202,394,130	99.993773	12,603	0.006227



**EG INDUSTRIES BERHAD**

Registration No. 199101012585 (222897-W)

(Incorporated in Malaysia)

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

Ordinary Resolution	For		Against	
	No. of shares	%	No. of shares	%
7	166,011,539	82.018783	36,395,194	17.981217
8	166,024,204	82.025040	36,382,529	17.974960
9	103,374,604	99.987808	12,605	0.012192

- 14.4 Based on the poll results, Dato' Chairman then declared that all nine (9) Ordinary Resolutions as tabled at the 31<sup>st</sup> 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 2023 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 2023 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine be and is hereby approved."

**Ordinary Resolution 2**

**To re-elect Dato' Kang Pang Kiang who retired in accordance with Clause 99 of the Company's Constitution**

"THAT Dato' Alex 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 3**

**To re-elect Mr. Lim Sze Yan who retired in accordance with Clause 99 of the Company's Constitution**

"THAT Mr. Lim Sze Yan 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 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 Annual General Meeting and the Directors be and are hereby authorised to fix their remuneration."

**Ordinary Resolution 5**

**Retention of Senior Independent Non-Executive Director**

"THAT Mr. Ang Seng Wong be hereby retained as Senior Independent Non-Executive Director of the Company, in accordance with the MCGG and the MMLR of Bursa Securities."

**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 MCCG 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 (“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.

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 8**

**Proposed Renewal of Authority to Buy Back Its Own Shares by the Company**

“THAT subject always to 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 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 proposes as the Directors may, in their discretion deem fit, subject to the following:

**EG INDUSTRIES BERHAD**

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

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

- (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.

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.”

**EG INDUSTRIES BERHAD**

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

Minutes of the 31<sup>st</sup> Annual General Meeting held on 29 November 2022 (cont'd)

---

**Ordinary Resolution 9**

**Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions between the Company and/or its Subsidiaries ("Proposed Shareholders' Mandate")**

"THAT subject to the provisions of the MMLR of Bursa Securities, approval be and is hereby given to the 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 2022 which transactions are necessary for the day-to-day operations in the ordinary course of business of the 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 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 12.25 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 posed at the Thirty First Annual General Meeting (“**31<sup>st</sup> AGM**”) of EG Industries Berhad (“**EGIB**” or “**the Company**”) conducted through live streaming and Remote Participation and Voting (“**RPV**”) Facilities from the online meeting platform at [www.agriteum.com.my](http://www.agriteum.com.my) on Tuesday, 29 November 2022 at 11:30 am

---

**Q1 Roger Haw Chun Beh**  
**Referring to the recent press release indicating the construction of Smart Factory 4.0 in Batu Kawan. Please enlighten us on how much margin improvement do you expect once the new plant commences operation?**

Answer:

The new Smart Factory 4.0 in Batu Kawan Industrial Park, Penang is earmarked for advanced technology products and would house latest manufacturing equipment and automation to serve high-technology customers.

The move towards automation would minimise dependency on direct human labour and this would in turn reduce direct labour costs, improve margins and efficiency, maintained quality and enhanced productivity ultimately.

In the EMS sector, we must invest and demonstrate our commitment ahead of getting customers’ buy-in. As this new plant will cater to higher end products with better margins, we could safely say that the margin improvements would be better than current.

**Q2 Low Suan Kong**  
**Why other expenses have increased from RM3,491,000 to current RM7,746,000. Can you explain the reason for this said increment?**

Answer:

The unexpected increase in other expenses from RM3,491,000 in FY2021 to RM7,746,000 was mainly due to the unrealised foreign exchange losses that arose from sudden strengthening of US Dollars against Ringgit Malaysia.

**Q3 Low Suan Kong**  
**Gross margin is stable at 4.1% but it was lower as compared to other EMS players who are in the 5% to 14% range. How can you improve this?**

Answer:

The Group’s gross profit margin has significantly improved as compared to early years. The average lower margin was mainly due to the Group’s product mix which comprised volume based PCBA products that carry lower margin.

Part of the Group’s medium to long term strategies to improve the profitability include the following:

- (a) Improving product sales mix by expanding our box-build contribution and adding new upstream components (such as 5G Photonics Optical Modules) into our product portfolio.

- (b) Improving our facility to better serve higher end customers – most notably with the new Smart Factory 4.0 in Batu Kawan Industrial Park which is purpose-built for the advanced 5G technology.

**Q4 Goh Ah Ngoh**

**May I know what is the company's outlook? I humbly request BOD to give e-wallet or e-voucher to attendees as a token of appreciation. I believe the token sum is small, manageable and within annual budgeted expenses.**

Answer:

I believe my presentation has given all a very comprehensive picture of the Group's outlook moving forward – we are preparing to get the Batu Kawan plant operational and online by 2024 to support the next 5G photonics high-tech wave for long term growth.

We are sorry that we do not have the practice of giving e-wallet or e-voucher.

We are currently developing our internal e-wallet to be used at our canteen and selected Preferred Outlets where all employees could enjoy exclusive privileges and discount at those Outlets. This is still at initial stage of development. Once the apps is successfully launched with appropriate approval(s) from the banks and authorities, as applicable, we might consider giving our EG points as a token of appreciation to the shareholders who attend the annual general meeting.

**Q5 Lum Kam**

**Please give E-Wallet credits, thank you.**

Answer:

As stated in the administrative guide, there is no electronic voucher or door gift to be given to shareholders.

**Q6 Wong Chin Ho**

**Currently who is the Group Chief Financial Officer & Chief Admin Officer?**

Answer:

The Chief Financial Officer is on long-term sabbatical presently. In the interim, her roles and responsibilities are handled by the Financial Controller.

Following the retirement of the Chief Administrative Officer in 2021, her roles and responsibilities are managed by the Senior Human Resource Director.

**Q7 Wong Chin Ho**

**On 26 October 2022, a press statement in the Edge Market reported that company had secured a letter of intent with US-based Cambridge Industries Group to produce advanced high speed optical signal transmitter and receiver for 5G wireless network (optical modules). Can you brief investors more information about this, like how much money and resources have been invested and spent by company, and what is the expected return of investment? As an investor, we only get to know this plan from press and but there was no proper announcement through Bursa Exchange.**

Answer:

At that point in time, the press statement focused on the Group securing a Letter of Intent from a key customer, Cambridge Industries Group ("CIG"). Once the Batu Kawan plant is operational by 2024, the Letter of Intent would progress into a full-fledged Letter of Award and we would share further information through an announcement to Bursa Malaysia Securities Berhad ("Bursa Securities") and our company's website.

The Board is of the view that the Letter of Intent is a huge and positive development for the Group in the long run and we should share our corporate progress through the press statement. In terms of resources, the Board is reviewing management's proposal on capital investment and a study on return on investment is underway.

As a recap, CIG is our existing customer which has been very supportive and keen for the Group to grow alongside them. The Letter of Intent is a mark of confidence of CIG in the Group and its ability to deliver high-tech products going forward in the new plant coming up in Batu Kawan, Penang.

**Q8 Wong Chin Ho**

**Company net asset per value dropped from RM1.31 in year 2019 to RM0.97 in the current financial year. What is the action plan from the Directors on convincing investors to continue support for the Company.**

Answer:

As mentioned, we would group questions of similar nature together for ease and comprehensiveness of response. Please refer our response to question on Question 3 on the Group's medium to long term strategy to improve the Group's profitability.

As stated in the Annual Report and the presentation, the entire EMS sector worldwide is affected by the global supply chain disruptions since the emergency of Covid-19 pandemic in year 2020.

In spite of this, we were still profitable last year and we are doing our best to continue taking EG to the next level. Our recent news on securing new high-tech client such as CIG and building our new Batu Kawan plant demonstrates that we are putting blocks in place to help us grow.

**Q9 Wong Chin Ho**

**For the past 10 years, the Company did not declare any dividends to investors, and this may weaken the strength of the Company to attract more investors. What is the view of the Company management leadership to bring better returns to all investors and secure investor loyalty?**

Answer:

The declaration of dividends is subject to the discretion of the Board with every decision depending on various factors, including but not limited to the Group's earnings, operating conditions, capital requirements, future expansion plans, general economic condition, working capital requirements and any contractual obligations.

In today's highly volatile business environment, the Board has adopted a prudent approach in dividend distribution as we are conserving cash flow to ensure the Group maintain a comfortable level of cash and cash equivalent to continue reinvesting our earnings into more profitable expansion plans, as well as to part-finance the construction and other capital investments needed to bring our new Batu Kawan plant online soonest possible.

We thank our shareholders for their continued support and would appreciate time to better position ourselves as a leading EMS player with stronger financial standing before considering any dividend payout.

**Q10 Wong Chin Ho**

**Under the salaries and other emoluments disclosed, CEO Dato Alex Kang's remuneration had increased from RM377,423 from year 2019 to RM853,073, which is an increase about RM475,650. Can management explain to us more on this?**

Answer:

The executive leadership of the Group has always been entitled to remuneration package comprising of basic salary and fixed allowance. Bonus is discretionary and is correlated to the financial performance of the Group. The quantum of fixed allowance approved for the then two executive board members then (inclusive of Dato' Alex Kang) remained the same.

Salaries and other emoluments for both executive board members then (inclusive of Dato' Alex Kang) was lower in year 2019 as during FY2019 and FY2020, both had opted for their fixed allowances to be on reimbursement basis up to the approved limit. However, from January 2021 onwards, the payment of fixed allowance was reinstated into their remuneration package with the quantum unchanged.

There was no changes in the basic salary of Dato' Alex Kang since November 2015 and a 42% upside increment was effected from December 2020 following a mark to market comparison with listed issuers of the similar size in similar industry by the Remuneration Committee as a mean to motivate and incentivise his commitment to return the Group to profitability and further growth. Dato' Alex Kang is the sole executive board member of the Company presently.



**Q11 Wong Chin Ho**

**Since there is an increase of salaries and other emoluments of CEO, does the Company increase the salary for the others Company Staff on the same rate? If not, it should be given that human capital of the Company is the biggest asset for the Company's future.**

Answer:

We recognise the dedication and commitment of each member of the larger EG family in contributing to the Group's consistent delivery of more than RM1.0 billion in revenue annually in the past 5 years.

Our EG family is rewarded based on the level of their annual performance and contribution, as well as corporate performance.

**Q12 Wong Chin Ho**

**Company declared that a private placement was done and issued of 36,195,400. Can the Company disclose who is the investors?**

Answer:

These are third party investors whose participation in the private placement exercise had been vetted through by our appointed principal advisor to ensure compliance with the relevant securities laws. They are like minded individuals who have confidence in the Group's proven track record and ability to deliver value going forward.

The names of these investors are not publicly known given the fact their investment is below the threshold prescribed under section 137 of the Companies Act 2016.

**Q13 Wong Chin Ho**

**Mr. Keh, company Non-Executive Chairman had disclosed to Bursa Exchange that he sold all 3,420,700 shares under his personal name. Can management explain why Mr. Keh sold his shares as this may trigger a negative perception resulting in a loss of confidence for other investors whereby we can see that the company share price decline from 0.67/52weeks to current 0.48. Can management explain on this?**

Answer:

Whilst we acknowledged your concern, we are unable to comment on the decisions of Mr. Keh vis-à-vis his stake in the Company. That decision is at his own discretion.

**Q14 Wong Chin Ho**

**On page 64 of the Annual Report, under the item other expenses, it increased from RM3,491,000 to current RM7,746,000. can management explain the reason for this substantial increment?**

Answer:

Please refer to our response on Question 2.

**Q15 Wong Chin Ho**

**On page 104, company acquired 180,000 in MISB. As we are aware, MISB is a dormant company. Therefore, what is the justification for the company management to make such decision and what's the latest plan?**

Answer:

For the information of other shareholders, Mr. Wong referred to Note 6 on page 103 of the Annual Report 2022.

Whilst the number of shares acquired might seem high, the cost of acquisition of RM10,000 is insignificant for the Group to buy out the said minority shareholder who has expressed interest to exit Mastimber Industries Sdn. Bhd. ("MISB").

MISB has about RM14.0 million in unabsorbed tax losses which could be offset against future income. At this juncture, MISB is still dormant with management monitoring closely investment opportunities that could capitalise on these unabsorbed tax losses.

**Q16 Wong Chin Ho**

**The basic earnings per share from 35.39 sen in 2015 drop to current year at 2.75. What is the pre-emptive action plan by company to rectify the future of the company?**

Answer:

The spike in earnings per share ("EPS") for FY2015 to 35.39 sen was boosted by an one-off gain on disposal of other investment of RM15.4 million and unrealised gain on foreign exchange of RM3.6 million.

Several rounds of capitalisation over the years had resulted in an enlarged share capital. Additionally, challenges in the overall macro economy over the past two years resulting from, among others, intense competition, US-China trade war, the Covid-19 pandemic, prolonged global shortages of key components and weakening of Ringgit Malaysia against US Dollar have impacted earnings, and ultimately, the Group's EPS.

Apart from taking all necessary measures to improve on production efficiency and cautiously managing the operational costs, please refer to our response on the Group's medium to long term strategy that would enhance the Group's profitability in Question 3 above.

**Q17 Wong Chin Ho**

**On 17/11/2021, Company announced to propose listing of SMT INDUSTRIES CO., LTD, a wholly owned subsidiary of the Company on Stock Exchange of Thailand. Can management update us what's the latest outcome?**

Answer:

You might have missed this update.

On 17 November 2021, we had through our appointed advisor, M&A Securities Sdn. Bhd., announced the decision to abort the proposed listing of our wholly owned subsidiary, SMT Industries Co., Ltd. on the Stock Exchange of Thailand given the weak market sentiment affected by the Covid-19 pandemic.

The announcement was released to Bursa Malaysia Securities Berhad on even date and the link to the announcement is as follows:

[https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement/announcement\\_details?ann\\_id=3210051#](https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3210051#)

**Q18 Wong Chin Ho**

**As single largest shareholders, for the sake of all the shareholders and investors, we suggest that Company management should be proactive to organise regular proper meeting and briefing to shareholders about the latest direction and future of the Company. Any view or action plan of the management to this suggestion?**

Answer:

We take note of your comments.

We seek your understanding as the volatile global landscape requires adept allocation of management resources in handling both strategic and operational matters so that we could continue to focus on improving the long term performance and to share the benefits with stakeholders like yourselves.

We appreciate your continued support and we encourage shareholders to keep themselves update on the Group's progress on our website which is updated frequently.

**Q19 Wong Chin Ho**

**As the single largest shareholders, we would like to work closely and cooperate with the management for the sake of all investors. What are the views of the management to listen and consider the opinion of all substantial shareholders? Do Company management willing to do so for the sake of all investors?**

Answer:

To recap, we appreciated viewpoints from all stakeholders that could enhance the long term prospects of the Group bearing in mind the need to balance strategic and operational issues in a volatile environment.

You could write in your viewpoints for the Directors' consideration. Thank you for your support.

**Q20 Raymond Foo**

**How much revenue contribute by Bitmain in FY2022? What the forecast of year 2023?**

Answer:

We are bound by confidentiality agreement on disclosure of information, including sales from our customers. As such, we are unable to comment on their revenue contribution.

**Q21 Raymond Foo**

**What are the job we provide? PCBA? Or box unit?**

Answer:

We provide complete box-built assembly services to our customers.

**Q22 Raymond Foo**

**Will plunge of crypto affect the demand? As what I know Bitmain also consolidate the supply chain and I hope our company will remain.**

Answer:

As of now, we could confirm that Bitmain has requested the Group to expand capacity to cope with higher demand in the coming year.

**Q23 Raymond Foo**

**Will Company aim for higher margin product? What is the margin of 5G related product?**

Answer:

Yes, the Group is always striving to secure higher margin products, especially from box-build and 5G related businesses, to enhance the Group's overall profitability.

Although it is still at preliminary stage to predict the margin improvement from the new 5G related product, we are confident that the margin would be better than the current performance.

**Q24 Raymond Foo**

**Cash in bank dry out quite quickly, will another private placement or right issue in the corner?**

Answer:

We are exploring various avenues for fund raising to finance our expansion and business growth going forward.

**Q25 THAVARAJAN MUTHIAH PILLAI**

**Dear BODs, please reward the shareholders for the participation in the AGM. Thank you.**

Answer:

Thank you for your support.

However, as stated in the administrative guide, there is no electronic voucher or door gift to be given to shareholders.