

KOTRA INDUSTRIES BERHAD

[Registration No. 199901022732 (497632-P)]
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING WITH AN ONLINE REMOTE PARTICIPATION VOTING PROVIDED BY DIGERATI TECHNOLOGIES SDN. BHD. AT THE BROADCAST VENUE AT VERTICAL BUSINESS SUITE, UNIT 35-01, LEVEL 35, TOWER A, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, MALAYSIA ON TUESDAY, 29 NOVEMBER 2022 AT 10:00 A.M.

DIRECTORS

Present at Broadcast Venue

Datuk Jamaludin Bin Nasir : Chairman, Independent Non-Executive Director
Mr. Piong Teck Onn, Jimmy : Managing Director
Mr. Lee Min On : Independent Non-Executive Director
Mr. Piong Chee Kien : Non-Independent Non-Executive Director

Present Remotely via Remote Participation and Voting ("RPV") Facility

Madam Chin Swee Chang : Executive Director
Datuk Piong Teck Yen, Vincent : Non-Independent Non-Executive Director
DMSM, DSM, PJK, JP

IN ATTENDANCE

Ms. Tan Ley Theng : Company Secretary
Ms. Ashley Ng : Assisting the Company Secretary
Ms. Tan Siok Ying : Assisting the Company Secretary
(*via RPV Facility*)
Mr. Patrick Wong : Representative from Messrs. Crowe Malaysia PLT,
External Auditors (*via RPV Facility*)

BY INVITATION

Members of Management

Mr. Piong Chee Wei, Simon : Business Lead
Mr. Daniel Chua Chong Liang : Chief Financial Officer
Ms. Wong Huey Ling : Senior Finance Manager
Ms. Nishantene a/p Baskaran : Corporate Affairs Executive (*via RPV Facility*)
Mr. Justin Kek : Accountant (*via RPV Facility*)

Audio and Visual Support

Mr. Alex Kong : }
Mr. Yew Jun Yan : }
Mr. Liew Chi Hae : } Representatives from Digerati Technologies
Mr. Evay Ooi : } Sdn. Bhd.
Mr. Low Jing Shen : }

Independent Scrutineers

Ms. Yap Chon Yoke : } Representatives from Quantegic Services Sdn. Bhd.
Ms. Cheang Siow Voon : }

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MEMBERS : As per Attendance List

PROXY HOLDERS : As per Attendance List

CHAIRMAN

Datuk Jamaludin bin Nasir ("**Datuk Chairman**"), the Chairman of the Company was in the Chair.

Datuk Chairman welcomed the participation of shareholders, proxies and invitees to the Twenty-Third Annual General Meeting ("**23rd AGM**") of the Company from various locations through live streaming.

Datuk Chairman informed that the Board of Directors had decided that the 23rd AGM be held on a virtual basis via live streaming with an online RPV Facility from the Broadcast Venue. This was in line with Practice 13.3 of the Malaysian Code on Corporate Governance 2021 which recommended listed companies to leverage technology to facilitate greater remote shareholders' participation at general meetings and vote without being physically present at the venue.

Datuk Chairman proceeded to introduce members of the Board, the Chief Financial Officer, and the Company Secretary who were present at the Broadcast Venue. Datuk Chairman then introduced the remaining two (2) Directors, the Business Lead and representative of Messrs. Crowe Malaysia PLT, the External Auditors who participated in this AGM remotely.

QUORUM

With the requisite quorum being present pursuant to Clause 95 of the Company's Constitution, Datuk Chairman declared the Meeting duly convened.

The Meeting was informed that the Company was using 23 November 2022 as the determinant date of the General Meeting Record of Depositors, being the cut-off date for determining who should be entitled to participate in the 23rd AGM.

NOTICE OF MEETING

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

POLL VOTING

Datuk Chairman informed the Meeting of the following:-

- (i) Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the proposed resolutions set out in the Notice convening the Meeting would be voted by poll.

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- (ii) Shareholders and proxies present virtually at the Meeting of their right to ask questions in relation to the Agenda items for the Meeting and vote on the resolutions to be tabled at the AGM.
- (iii) Datuk Chairman in his capacity as Chairman of the Meeting, had been appointed as proxy by some shareholders who were unable to participate in the Meeting, and would be voting as their proxy in accordance with their voting instructions, where indicated.
- (iv) As explained in the Administrative Guide accompanying the Notice of the AGM, shareholders and proxies could send in questions in real time by transmitting them via the communication chat box to the Chairman or the Board of Directors via RPV in relation to the Agenda items for the Meeting.

After advising the Meeting as there was no legal requirement for a proposed resolution to be seconded, Datuk Chairman took the Meeting through each item on the Agenda. Shareholders and proxies were welcomed to cast and submit their votes from the start of the Meeting, should they wish to, until the closure of the voting session to be announced.

The Meeting was informed that the Board of Directors would address the questions received during the "Question and Answer" session upon completion of deliberations of all items to be transacted at the Meeting, prior to the poll voting session.

VOTING PROCEDURES

Upon invitation by Datuk Chairman, the Company Secretary briefed the shareholders on the voting procedures.

The Company Secretary informed that shareholders, corporate representatives and proxies who were attending the Meeting remotely, could ask questions by transmitting the same in the communication chat box. For smooth running of the proceedings of the Meeting, the "Question and Answer" session would be conducted after all the items on the Agenda had been read.

In the interest of time, the Board might not be able to address all questions received. Accordingly, similar questions received would be grouped and combined to avoid repetition, and might also be summarised for expediency. If there was time constraint, the responses would be e-mailed to the respective shareholders and proxies at the earliest possible, after the AGM.

The Company Secretary highlighted that while the Company had taken all efforts to ensure a smooth live streaming, the quality of the broadcast might be affected by the participants' own internet bandwidth connection and stability.

The Company had appointed Digerati Technologies Sdn. Bhd. as the Poll Administrator to conduct the online electronic polling process. Quantegic Services Sdn. Bhd. would act as the Independent Scrutineers to verify the results of the poll.

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PRESENTATION BY BUSINESS LEAD

Datuk Chairman invited the Business Lead of the Group, Mr. Piong Chee Wei, Simon ("**Mr. Simon Piong**") to give a brief presentation on the overview of the Group's financial highlights and operational updates for the financial year ended 30 June 2022 ("**FYE 2022**").

The Meeting noted the following financial highlights presented by Mr. Simon Piong on the Group's operation for the FYE 2022:-

- Total revenue of RM207.9 million showed an increase of 30.3% from that of RM159.6 million achieved in last financial year ended 30 June 2021 ("**FYE 2021**");
 - Net profit after taxation for FYE 2022 was approximately RM37.7 million higher than FYE 2021;
 - The Group's price-to-earnings ratio for FYE 2022 was reflective of the industry benchmark; and
 - Gearing ratio for FYE 2022 had been steadily going on a downward trend and at the manageable level.
- a) The highlights of the Group's operation for FYE 2022 were as follows:-
- i) The Group recorded a 30.3% revenue growth from RM159.6 million in FYE 2021 to RM207.9 million in FYE 2022;
 - ii) Profit before tax showed an increase of 121.8% growth from RM26.3 million in FYE 2021 to RM58.3 million in FYE 2022; and
 - iii) Four (4) new products were launched in FYE 2022, namely Axl Prednisolone, Axl Azithromycin, Vxl Methylprednisolone Injection and Vxl Esomeprazole Powder Injection.
- b) As part of the Group's efforts to achieve a sustainable growth while concurrently improving sustainability related-initiatives to manage carbon footprint, the Group realised cost savings of approximately RM92,000 over the last three (3) years through the installation of solar photovoltaic system.

Mr. Simon Piong further shared the Group's future strategies as follows:-

- i) To deepen presence in existing export markets, particularly ASEAN and Africa, by expanding product portfolio and at the same time bidding for more government tenders to better elevate cost efficiency;
- ii) To continue investing in social media platforms, enabling the Group to actively engage with followers; and
- iii) To allocate capital expenditure towards the upgrading of manufacturing equipment and expansion of warehouse.

Datuk Chairman thanked the Business Lead for his presentation and continued with the proceedings of the Meeting.

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1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

Datuk Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 30 June 2022, together with the Reports of the Directors and the Auditors thereon.

Datuk Chairman explained that the Audited Financial Statements for the financial year ended 30 June 2022 were meant for discussion only, as they did not require shareholders' approval under Section 340(1)(a) of the Companies Act 2016. As such, the Audited Financial Statements would not be put forward for voting. However, shareholders and proxies could pose questions in relation to Agenda 1 item during the "Question and Answer" session.

Datuk Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2022, together with the Reports of the Directors and the Auditors thereon, be received.

Datuk Chairman reminded the Meeting that voting was already open, and shareholders and proxies could cast their votes at any time until the announcement of the closure of poll voting.

2. ORDINARY RESOLUTION 1 PAYMENT OF FINAL SINGLE-TIER DIVIDEND OF 16 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Datuk Chairman announced that Ordinary Resolution 1 was to seek shareholders' approval for the declaration of a final single-tier dividend of 16 sen per ordinary share for the financial year ended 30 June 2022.

If approved, this final single-tier dividend would be paid on 8 December 2022 to the shareholders whose names were registered in the Record of Depositors as at 1 December 2022.

3. ORDINARY RESOLUTION 2 APPROVAL OF PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM420,000 FROM 30 NOVEMBER 2022 UNTIL THE NEXT AGM OF THE COMPANY IN YEAR 2023

Datuk Chairman advised the Meeting that the next item on the Agenda was to approve the payment of Directors' fees amounting to RM420,000.00 payable to the Directors from 30 November 2022 until the next AGM of the Company in year 2023.

4. ORDINARY RESOLUTION 3 APPROVAL OF THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM30,000.00 FROM 30 NOVEMBER 2022 UNTIL THE NEXT AGM OF THE COMPANY IN YEAR 2023

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Datuk Chairman presented Ordinary Resolution 3 in respect of the payment of Directors' benefits up to an amount of RM30,000.00 from 30 November 2022 until the next AGM of the Company in year 2023.

The Directors' benefits comprised meeting allowances, which were estimated according to size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings to be held from 30 November 2022 until the next AGM in year 2023.

**5. ORDINARY RESOLUTIONS 4 AND 5
RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRED IN
ACCORDANCE WITH CLAUSE 118 OF THE COMPANY'S CONSTITUTION:
(A) DATUK PIONG TECK YEN
(B) PIONG CHEE KIEN**

The Meeting was informed that pursuant to Clause 118 of the Company's Constitution, Datuk Piong Teck Yen and Mr. Piong Chee Kien, who were retiring as Directors of the Company and being eligible, had offered themselves for re-election.

**6. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF THE
COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR
REMUNERATION**

Datuk Chairman proceeded with Ordinary Resolution 6 in respect of the re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company. The retiring auditors, Messrs. Crowe Malaysia PLT, had expressed their willingness to continue in office and to hold office until the conclusion of the next Annual General Meeting of the Company.

The Meeting was informed that the Audit Committee and the Board had reviewed Messrs. Crowe Malaysia PLT's suitability, objectivity and independence as Auditors of the Company for the past financial year and were satisfied with their effectiveness and performance as External Auditors of the Company.

SPECIAL BUSINESS

**7. ORDINARY RESOLUTION 7
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES
ACT 2016**

Datuk Chairman advised that the next item on the Agenda was a Special Business to consider and, if thought fit, pass an Ordinary Resolution to authorise the Directors to issue an aggregate number of shares up to ten per centum (10%) of the total number of issued shares of the Company pursuant to the Companies Act 2016.

The Meeting was informed that this general mandate would provide flexibility to the Board of Directors to issue and allot shares of up to 10% of the total number of issued

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shares of the Company at any time at their absolute discretion without convening a general meeting, for any possible fund raising activities and placement of shares. If approved, this authority would be valid, unless revoked or varied by the Company in a general meeting, until the next Annual General Meeting.

**8. ORDINARY RESOLUTION 8
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING
NATURE**

Datuk Chairman highlighted that the motion as indicated in Ordinary Resolution 8 was in relation to the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Proposed Shareholders' Mandate**").

The details and rationale of the Proposed Shareholders' Mandate were provided in the Circular to Shareholders dated 28 October 2022 accompanying the 2022 Annual Report.

As disclosed in the Circular to Shareholders, the interested Directors, major shareholders and persons connected to them had abstained from all deliberations and voting on matters in relation to the Proposed Shareholders' Mandate.

The interested Directors and interested major shareholders had also undertaken to ensure that persons connected with them would abstain from voting in respect of their direct or indirect interests pertaining to Ordinary Resolution 8 at the Meeting.

**9. SPECIAL RESOLUTION
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

Datuk Chairman advised that the last item on the Agenda was a Special Business to consider and, if thought fit, pass a Special Resolution in relation to the Proposed Amendments to the Constitution of the Company ("**Proposed Amendments**").

The Meeting was informed that the Board was of the view that the Proposed Amendments would provide better clarity and consistency of the existing Constitution of the Company with the provisions of the Companies Act 2016 in relation to dividend declaration.

10. ANY OTHER BUSINESS

Datuk Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business at this Meeting.

The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

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11. QUESTION AND ANSWER SESSION

After tabling of all resolutions, Datuk Chairman announced that the Meeting was opened for Question and Answer session.

The Meeting was earlier notified that due to time constraint, the Chairman or the Board might not be able to address all questions received. These questions would be moderated to avoid repetition and might also be summarised for brevity.

A summary of questions received together with summarised responses by the Company was annexed to these Minutes and marked as Annexure "A".

Datuk Chairman then announced the closure of the "Question and Answer" session after answering all the questions raised.

12. POLL VOTING

The Chairman announced that the voting session would continue for another 10 minutes to allow shareholders, corporate representatives and proxies to complete their voting via the RPV facility.

After 10 minutes, Datuk Chairman announced the closure of the voting session and the Meeting was adjourned for the Scrutineers to verify the poll results.

13. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 10:55 a.m. for the declaration of the poll results which had been verified by the Independent Scrutineers, Quantegic Services Sdn. Bhd.

Based on the report from the Independent Scrutineers, Datuk Chairman announced the poll results as follows and declared that based on the results of the verified poll votes, Ordinary Resolutions 1 to 8 and Special Resolution were all **CARRIED**:-

13.1 Approval of a final single-tier dividend of 16 sen per ordinary share for the financial year ended 30 June 2022

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 1	88,452,414	99.9999	1	0.0001	Carried

"That the declaration of a final single-tier dividend of 16 sen per ordinary share for the financial year ended 30 June 2022 be and is hereby approved."

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13.2 Approval of the Payment of Directors' Fees amounting to RM420,000.00 from 30 November 2022 until the next AGM of the Company in year 2023

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 2	88,428,323	99.9728	24,091	0.0272	Carried

"That the payment of Directors' fees amounting to RM420,000.00 from 30 November 2022 until the next AGM of the Company in 2023, be and is hereby approved."

13.3 Approval of the Payment of Directors' benefits payable up to an amount of RM30,000.00 from 30 November 2022 until the next AGM of the Company in year 2023

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 3	88,428,324	99.9728	24,091	0.0272	Carried

"That the payment of Directors' benefits payable up to an amount of RM30,000.00 from 30 November 2022 until the next AGM of the Company in 2023, be and is hereby approved."

13.4 Re-election of Datuk Piong Teck Yen who retired in accordance with Clause 118 of the Company's Constitution

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 4	88,452,414	99.9999	1	0.0001	Carried

"That Datuk Piong Teck Yen who retired in accordance with Clause 118 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."

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13.5 Re-election of Mr. Piong Chee Kien who retired in accordance with Clause 118 of the Company's Constitution

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 5	88,452,414	99.9999	1	0.0001	Carried

"That Mr. Piong Chee Kien who retired in accordance with Clause 118 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."

13.6 Re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 6	88,452,414	99.9999	1	0.0001	Carried

"That Messrs. Crowe Malaysia PLT be hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next AGM and that authority be and is hereby given to the Directors to determine their remuneration."

13.7 Authority to Allot and Issue Shares pursuant to the Companies Act 2016

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 7	88,448,214	99.9964	3,201	0.0036	Carried

"THAT, pursuant to Section 75 and 76 of Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company, from time to time upon such terms and conditions and for such purposes and to such persons whomsoever the Director 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 does not exceed ten per centum (10%) of the total issued shares of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue."

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AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND FURTHER THAT pursuant to Section 85 of Companies Act 2016 to be read together with Clause 13 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares of the Company pursuant to Section 75 and 76 of the Companies Act 2016."

13.8 Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Ordinary Resolution 8	6,705,886	99.9672	2,201	0.0328	Carried

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature with the Related Parties as specified in Section 2.3.2(a) of the Circular to Shareholders dated 28 October 2021, which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("Group"), to be entered by the Group in the ordinary course of business and are on terms which are not more favourable to the Related Parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders.

THAT the authority for the Proposed Shareholders' Mandate shall continue to be in force until: -

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;*
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or*
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;*

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give full effect to the Proposed Shareholders' Mandate."

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13.9 Proposed Amendments to the Constitution of the Company

Resolution	Vote in Favour		Vote Against		Results
	No. of shares	%	No. of shares	%	
Special Resolution	88,450,214	99.9975	2,201	0.0025	Carried

"THAT approval be and is hereby given to adopt the proposed amendments to the Constitution of the Company as set out in Appendix I despatched together with the Company's Annual Report 2022.

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations, and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

CONCLUSION

Datuk Chairman declared the 23rd AGM of the Company closed and thanked all shareholders and proxies present for their participation.

Datuk Chairman also thanked the Management and everyone involved in making this virtual AGM a successful event.

The Meeting ended at 11.03 a.m. with a vote of thanks accorded to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN
DATUK JAMALUDIN BIN NASIR

Dated: 29 November 2022

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RESPONSES TO QUESTIONS RAISED DURING THE TWENTY-THIRD ANNUAL GENERAL MEETING ("23RD AGM") OF THE COMPANY HELD ON 29 NOVEMBER 2022

E-VOUCHERS/E-WALLET

1. Dear Board of Directors - Kindly give us some e-vouchers, food vouchers or e-wallet for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ.
2. Would the Board of Directors kindly give e-voucher to redeem the company products, as a token of appreciation for attending today's meeting? I would like to request a printed hard copy of the company annual report.
3. Can the Board of Directors consider sending some health supplements to those shareholders/proxies attending this AGM for us to try? Thanks.

Response to Questions 1, 2 & 3

Datuk Chairman thanked all shareholders and proxies for participating in the Company's virtual AGM.

As mentioned in the Company's Administrative Guide for the 23rd Annual General Meeting to the shareholders, the Company would not be providing e-vouchers, e-wallet or supplements or door gifts for shareholders or proxies who participated in the virtual AGM. The Company viewed the distribution of dividend as a more appropriate form of reward to the shareholders.

Datuk Chairman also noted the request for a printed copy of the 2022 Annual Report and responded that the same would be delivered to the registered address of the shareholder.

BUSINESS STRATEGY/OPERATIONS

4. What is the current utilisation rate? What is the management's forecast of utilisation rate in the upcoming financial year?
5. Hi Mr. Managing Director, what is the on-going expansion plan for Kotra Industries to enhance the usage of existing factory space in the upcoming years?
6. From the Annual Report, it seems that the overseas sales are dropping year on year. May I know how the Board would address this issue?

Response to Questions 4, 5 & 6

The Managing Director replied that the current utilisation rate was approximately 40% last year. The existing facilities were well positioned in order to double the capacity utilisation rate and the sales in the near future.

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The decrease in sales to international market was mainly impacted by the outbreak of Covid-19 pandemic in the past two years. Most countries had reacted to protect their local industries by reducing the purchase of imported products and thus affected the Company's sales to international market. Besides that, the Company as an exporter of generic products, also faced stiff competition from many competitors worldwide. Concerted efforts were being put in place to rebuild the Company's export market.

The Managing Director explained that new business strategies, including expansion plans were identified in order to address the abovementioned issues. It would take time to materialise the efforts undertaken by the Company. The Company would present the latest operational updates for shareholders' information at the next Annual General Meeting.

7. May I know why Kotra enjoys the tax incentive since a decade ago? When will it expire?

Response to Question 7

The Company enjoys several ongoing tax incentives granted by the Government such as those provided under the Promotion of Investments Act 1986. The unutilised tax incentives will expire by 30 June 2028 and shareholders may refer to Note 10 to the Financial Statements in page 88 of 2022 Annual Report for detailed information.

8. May I know do the raw materials still experience shortages and what is the view on next year demand of the Group's products?
9. Is Kotra facing any shortage of raw material/labour?

Response to Questions 8 & 9

The Company did not face shortage of raw materials but encountered delay in supply of packaging materials due to logistic issues. This issue was expected to be resolved within the next two quarters.

The Company was not impacted by shortage of labour but rather labour disruptions arising from the adherence to the various containment measures and the standard operating procedures imposed by the Government to curb the Covid-19 pandemic. However, the disruption of labour was within manageable range and would continue to improve.

10. Based on the report from The Edge in 2020, the Managing Director did show a big interest in biopharmaceuticals segment. Any update for any M&A or venture into businesses that is related to biopharmaceuticals?

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Response to Question 10

In relation to merger and acquisition activities or joint venture to strengthen the Company's fundamentals, the Company is always on the look-out for opportunities. When there are any possible merger and acquisition that may be crystallising, the Company will make the necessary disclosures.

11. What is the remaining room of growth for Appeton products in Malaysia? My kids love your advertisement along the highway so much.

Response to Question 11

A key initiative is to grow the market share of the Group brand products in all markets. The Company has been a significant player in the child health supplements, and there is still tremendous room for improvement since there are a lot of players in the industry.

12. Will Kotra make the expansion in the Halal market?

Response to Question 12

The Company's consumer products are all Halal certified. There are a number of generic products which are Halal certified although the logo is not printed on the packaging materials as these products are prescription-based products. Currently, there are no requests from the market to print the Halal certified logo. Therefore, the Company chooses to stay status quo which is also suitable for worldwide distribution.

13. There are lots of Appeton advertisements along the highway, but not so much on television. Would you consider advertisement via television?

Response to Question 13

The Company is of opinion that the viewership of mass media particularly television has changed and is moving towards a downward trend. The costs of television commercial and cost-per-view are still very high. The Company views that the fund is better managed by shifting from the conventional television commercial to digital media and outdoor advertisement. The Company certainly looks into the best mode of advertising to promote the products effectively.

14. My kids complained that Appeton Multivitamin for kids (gel-like gums) are bit smelly, as compared to Scott's Emulsion. Can Mr. Managing Director to look into that?

Response to Question 14

Datuk Chairman thanked the shareholder for the feedback and the Company would look into this matter.

15. How much does the Company spend on this virtual AGM?

KOTRA INDUSTRIES BERHAD

[Registration No. 199901022732 (497632-P)]
(Incorporated in Malaysia)

Response to Question 15

The Company spent approximately RM15,000 to convene the Twenty-Third Annual General Meeting virtually.

16. May I know when the company going to reward shareholder with bonus issue? Please reply.

Response to Question 16

The Board of Directors will assess the suitability to implement a bonus issue and if deemed fit, will propose to the shareholders for approval.

17. How to get to the voting page?

Response to Question 17

The voting page is available in the email together with the Zoom link and it is also accessible on the website.