

KOTRA INDUSTRIES BERHAD

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

MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING WITH AN ONLINE REMOTE PARTICIPATION AND VOTING FACILITIES 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 FRIDAY, 29 NOVEMBER 2024 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
Madam Chin Swee Chang	:	Executive Director
Mr. Lee Min On	:	Independent Non-Executive Director
Datuk Piong Teck Yen, Vincent	:	Non-Independent Non-Executive Director
DMSM, DSM, PJK, JP		
Mr. Piong Chee Kien	:	Non-Independent Non-Executive Director

IN ATTENDANCE

Ms. Tan Ley Theng	:	Company Secretary
Ms. Syaza Adriana binti Ibrahim	:	Assisting the Company Secretary
Ms. Chow Wen Qing	:	Assisting the Company Secretary
Mr. Tan Guan Seng	:	Representative from Messrs. Crowe Malaysia PLT, External Auditors

Members of Management

Mr. Piong Chee Wei, Simon	:	Executive Director of Kotra Pharma (M) Sdn. Bhd.
Mr. Daniel Chua Chong Liang	:	Chief Financial Officer
Ms. Wong Huey Ling	:	Senior Finance Manager
Ms. Nishantene a/p Baskaran	:	Senior Corporate Affairs Executive
Ms. Tan Shu Yuan	:	Finance Executive

BY INVITATION

Audio and Visual Support

Mr. Alex Kong	:	} Representatives from Digerati Technologies Sdn. Bhd.
Mr. Yeow Jun Yan	:	
Mr. Evay Ooi	:	
Mr. Chee Weng Kee	:	

Independent Scrutineers

Ms. Yap Chon Yoke	:	} Representative from Quantegic Services Sdn. Bhd.
Mr. Wong Kwee Jong	:	

OTHER INVITEES : As per Attendance List

MEMBERS : As per Attendance List

PROXY HOLDERS : As per Attendance List

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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-Fifth Annual General Meeting ("**25th AGM**") of the Company from various locations through live streaming.

Datuk Chairman informed that the 25th AGM was conducted on a virtual basis with online remote participation and voting from the Broadcast Venue. The use of technology, which was allowed under Section 327(2) of the Companies Act 2016 and Clause 78 of the Company's Constitution, would facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue.

Datuk Chairman then proceeded to introduce members of the Board, the Executive Director of Kotra Pharma (M) Sdn. Bhd. ("**KPM**"), the Chief Financial Officer, the representative of the External Auditors and Company Secretary who were present at the Broadcast Venue.

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 22 November 2024 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 25th 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.
- (ii) Shareholders and proxies present virtually at the Meeting could exercise their rights 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

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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 in relation to the Agenda items for the Meeting.

Datuk Chairman highlighted that as there was no legal requirement for a proposed resolution to be seconded, he would take 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

Datuk Chairman then invited the Company Secretary to give an overview of the meeting proceedings and voting procedures at this Meeting.

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 time, after the AGM.

The Company Secretary emphasised that whilst all efforts had been taken 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 and Quantegic Services Sdn. Bhd. as the Independent Scrutineers to verify the results of the poll.

PRESENTATION BY EXECUTIVE DIRECTOR OF KPM

Datuk Chairman invited the Executive Director of KPM, Mr. Piong Chee Wei, Simon ("**Mr. Simon Piong**") to present an overview of the Group's financial highlights and operational updates for the financial year ended 30 June 2024 ("**FYE 2024**").

The Meeting noted the following salient points of the presentation by Mr. Simon Piong on the highlights of the Group's financial performance and achievements for the FYE 2024:-

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- Total revenue of RM226.6 million showed a decrease of 6.5% from RM242.2 million achieved in last financial year ended 30 June 2023 ("**FYE 2023**");
- Net profit after taxation margin for FYE 2024 was approximately 7% lower than FYE 2023, however, it remained consistent with the Group's trends from previous years;
- Return on equity had steadily increased in tandem with the Group's net profit;
- The Group's price-to-earnings ratio stood at 14.13 as at 30 June 2024;
- Zero gearing ratio for FYE 2024; and
- Net tangible assets per share had steadily increased as the result of the Group's commitment to reinvest in business operation to ensure the Group remained relevant and competitive.

The highlights of the Group's operation for FYE 2024 were as follows:-

- i) Various branding and marketing efforts, both locally and internationally, as part of the Group's continuous effort to remain relevant in the market, such as participating in various trade shows;
- ii) Participation in overseas pharmaceutical events to expand the Group's export footprint and staying informed on emerging market trends and industry developments; and
- iii) KPM was awarded with the Malaysian Organisation of Pharmaceutical Industries ("**MOPI**") Pharma Industry Awards 2024 for Fastest Growing Local Revenue (2019 to 2023) under the category of more than RM100 million.

Mr. Simon Piong further shared the Group's continued construction of the new automated warehousing facilities and the addition of three (3) new manufacturing lines, with completion targeted by end of 2025. The new automated warehouse under construction was anticipated to streamline inventory management, reduce manual handling, and enhance the Group's ability to respond more flexibly to market fluctuations.

Datuk Chairman thanked the Mr. Simon Piong for his informative presentation and continued with the proceedings of the Meeting.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 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 2024, 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 2024 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 2024, together with the Reports of the Directors and the Auditors thereon, be received.

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**2. ORDINARY RESOLUTION 1
APPROVAL OF PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM552,000
FROM 30 NOVEMBER 2024 UNTIL THE NEXT AGM OF THE COMPANY IN
YEAR 2025**

Datuk Chairman advised the Meeting that the next item on the Agenda was to approve the payment of Directors' fees amounting to RM552,000 payable to the Directors from 30 November 2024 until the next AGM of the Company in year 2025.

**3. ORDINARY RESOLUTION 2
APPROVAL OF PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN
AMOUNT OF RM66,000 FROM 30 NOVEMBER 2024 UNTIL THE NEXT AGM
OF THE COMPANY IN YEAR 2025**

Datuk Chairman presented Ordinary Resolution 2 in respect of the payment of Directors' benefits payable up to an amount of RM66,000 from 30 November 2024 until the next AGM of the Company in year 2025.

The Directors' benefits comprised meeting allowances, which were estimated according to the size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings for the period commencing from 30 November 2024 until the next AGM in year 2025.

**4. ORDINARY RESOLUTIONS 3 AND 4
RE-ELECTION OF DIRECTORS WHO RETIRED IN ACCORDANCE WITH
CLAUSE 118 OF THE COMPANY'S CONSTITUTION:
(A) MADAM CHIN SWEE CHANG
(B) DATUK JAMALUDIN BIN NASIR**

The Audit Committee Chairman and Independent Non-Executive Director, Mr. Lee Min On took over the chairmanship from Datuk Chairman to chair the next two (2) Ordinary Resolutions pertaining to the re-election of Directors who were retiring by rotation pursuant to the Company's Constitution.

The Meeting was informed that pursuant to Clause 118 of the Company's Constitution, Madam Chin Swee Chang and Datuk Jamaludin bin Nasir, who were retiring as Directors of the Company and being eligible, had offered themselves for re-election.

Mr. Lee handed over the chairmanship to Datuk Chairman to chair the next item on the Agenda.

**5. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF
THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR
REMUNERATION**

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Datuk Chairman proceeded with Ordinary Resolution 5 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

6. ORDINARY RESOLUTION 6 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 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 the renewal of this general mandate was to provide flexibility for the Board of Directors to issue and allot new shares without the need to convene a separate general meeting to obtain the shareholders' approval so as to avoid incurring additional cost and time. This authority shall, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting. The Board of Directors would also be empowered to obtain the approval for the listing of, and quotation for, the additional shares to be issued on Bursa Malaysia Securities Berhad.

7. ORDINARY RESOLUTION 7 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 7 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 29 October 2024 accompanying the Annual Report 2024.

As disclosed in the Circular to Shareholders, the interested Directors, major shareholders and persons connected to them would abstain 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

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direct or indirect interests pertaining to Ordinary Resolution 7 at the Meeting.

8. 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.

9. QUESTION AND ANSWER SESSION

After tabling of all resolutions, Datuk Chairman announced that the Meeting was opened for Question and Answer ("**Q&A**") 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.

During the Q&A session in responding to the live questions received, the Board received a comment from Ms. Lim Cian Yai, corporate representative of the Minority Shareholders Watch Group ("**MSWG**"). Ms. Lim Cian Yai highlighted that several questions were submitted by the MSWG via a letter to the Company Secretaries prior to the AGM. Ms. Lim Cian Yai requested that those questions, together with the responses thereto, be addressed by the Chairman for the benefits of shareholders attending the AGM.

In response to Ms. Lim Cian Yai, Datuk Chairman clarified that the pre-AGM questions from the MSWG were inadvertently not escalated to the Board and Management by the Company Secretaries due to a miscommunication.

Datuk Chairman assured Ms. Lim Cian Yai that the Board and Management would address the questions from the MSWG after responding to the other live questions received at that material time.

A summary of the questions received during the Meeting, together with summarised responses by the Company, the details of which were annexed to these Minutes was marked as **Annexure "A"**.

LETTER RECEIVED FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG**")**

Datuk Chairman updated that the Company had received questions from the MSWG via its letter dated 22 November 2024, seeking clarification and information on several issues pertaining to the operational and financial matters, sustainability matters, and corporate governance matters of the Company and the Group.

The questions from the MSWG were shown onscreen for shareholders' viewing.

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Datuk Chairman and the Management, together with the Audit Committee Chairman, responded verbally to those questions. The Meeting was also informed that on grounds of good governance, the Company would forward the written reply to MSWG in response to the questions raised by them.

The responses by the Company to the questions and points raised by the MSWG were annexed hereto as **Annexure "B"**.

After having addressed all the questions raised, Datuk Chairman announced the closure of the "Question and Answer" session and moved on to the polling session.

10. POLL VOTING

Datuk Chairman announced that the voting session would continue for ten (10) minutes to allow shareholders, corporate representatives and proxies to complete their voting via the remote participation and voting facilities.

After 10 minutes, Datuk Chairman announced the closure of the voting session and the Meeting was adjourned for twenty (20) minutes for the Scrutineers to verify the poll results.

11. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:59 a.m. for the declaration of the poll results which had been verified by the Independent Scrutineers, Quantegic Services Sdn. Bhd.

The results of the poll were shown on the screen as follows:-

Ordinary Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<u>Resolution 1</u> Payment of Directors' fees amounting to RM552,000 from 30 November 2024 until the next AGM of the Company in 2025.	78,070,301	99.9881	9,256	0.0119
<u>Resolution 2</u> Payment of Directors' benefits payable up to an amount of RM66,000 from 30 November 2024 until the next AGM of the Company in year 2025.	86,174,702	99.9881	10,257	0.0119

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Ordinary Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<u>Resolution 3</u> Re-election of Madam Chin Swee Chang as Director in accordance with Clause 118 of the Company's Constitution.	83,867,856	99.9973	2,304	0.0027
<u>Resolution 4</u> Re-election of Datuk Jamaludin bin Nasir as Director in accordance with Clause 118 of the Company's Constitution.	86,182,654	99.9973	2,306	0.0027
<u>Resolution 5</u> Re-appointment of Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	86,188,156	99.9985	1,304	0.0015
<u>Resolution 6</u> Authority to Allot and Issue Shares pursuant to the Companies Act 2016.	86,122,352	99.9221	67,107	0.0779
<u>Resolution 7</u> Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.	5,357,425	99.9402	3,207	0.0598

Datuk Chairman declared that based on the results of the verified poll votes, Ordinary Resolutions 1 to 7 were all **CARRIED**.

Ordinary Resolution 1

Approval of the Payment of Directors' Fees amounting to RM552,000 from 30 November 2024 until the next AGM of the Company in year 2025

"That the payment of Directors' fees amounting to RM552,000 from 30 November 2024 until the next AGM of the Company in 2025, be and is hereby approved."

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Ordinary Resolution 2

Approval of the Payment of Directors' benefits payable up to an amount of RM66,000 from 30 November 2024 until the next AGM of the Company in year 2025

"That the payment of Directors' benefits payable up to an amount of RM66,000 from 30 November 2024 until the next AGM of the Company in 2025, be and is hereby approved."

Ordinary Resolution 3

Re-election of Madam Chin Swee Chang who retired in accordance with Clause 118 of the Company's Constitution

"That Madam Chin Swee Chang 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."

Ordinary Resolution 4

Re-election of Datuk Jamaludin bin Nasir who retired in accordance with Clause 118 of the Company's Constitution

"That Datuk Jamaludin bin Nasir 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."

Ordinary Resolution 5

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

"That 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."

Ordinary Resolution 6

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

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

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treasury shares) of the Company ("New Shares") for the time being without first offering the New Shares to the existing shareholders of the Company;

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

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

Ordinary Resolution 7

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

"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 29 October 2024, 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."

CONCLUSION

Datuk Chairman declared the 25th AGM of the Company closed and thanked all shareholders and proxies present for their participation.

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

The Meeting ended at 12.01 p.m. with a vote of thanks accorded to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN
DATUK JAMALUDIN BIN NASIR

Dated: 29 November 2024

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ANNEXURE A - RESPONSES TO QUESTIONS RECEIVED DURING THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 29 NOVEMBER 2024

New Minimum Wage

- (1) How much is the additional costs expected to pay for the Employees Provident Fund (EPF) contribution for foreign workers and RM1,700 minimum wage as per the Budget 2025 guideline? How is the Company going to manage these costs increase?

Response

Datuk Chairman responded that most of the Group's employees earn above the new minimum wage of RM1,700. Hence, the Group expected to have minimal cost impact arising from the revision of threshold of minimum wage.

Business Operations and Financial Matters

- (1) What is the latest plant and warehouse utilisation rate?

Response

Datuk Chairman replied that the Group's manufacturing capacity utilisation rate was approximately 30% to 40%, with significant buffer to accommodate future growth. However, the current warehouse capacity had exceeded 90% of its storage capacity and that was the rationale for the construction of the new automated warehouse.

- (2) Based on Note 34 to the Financial Statements - Segment Reporting on page 105 of the Annual Report, the revenue percentage (%) is Malaysia 67% and Overseas is 33%. What is the ideal percentage the Management targeting?

Response

The Managing Director replied that the Group has an internal target of achieving sales of 60% in the export division by 2030. While this can be a challenging task, the Managing Director considered the target to be attainable. In order to achieve this target, the Company has developed programmes and strategies that prioritise exports as the primary revenue driver for the Group.

- (3) How has the national flood situation affected the operations and business activities of the Company?

Response

Datuk Chairman replied that there were no major impacts to the Group's operations, apart from a few slight delays in delivery.

- (4) What actions can the Company take to increase net profit and potentially enhance dividend payouts in the upcoming financial year?

Response

Datuk Chairman responded that the Group would focus on enhancing operational efficiency to strive for growth and become more profitable. This would enable the Company to have the opportunity to reward the shareholders through dividend payout.

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- (5) Referring to Note A7 of the Quarterly Report, there was a surge in major customer sales of RM14.7 million from RM5.4 million last year. Does this higher sales figure associated with the delay due to logistic delivery issue brought over from the Fourth Quarter ended 30 June 2024?

Response

The Chief Financial Officer clarified that the sales figure was related solely to the export sales and was not related to any delays or issues carried over from the fourth quarter ended 30 June 2024. The fluctuations observed were entirely attributable to the timing of export shipments.

- (6) When does the Company expect tax normalisation? Will the Company enjoy further tax incentive for the capital expenditure (capex) associated with the new production lines and also the construction of warehouse?

Response

The Chief Financial Officer replied that the tax normalisation is expected when the unused tax credits and incentives have been fully utilised by the Group by the next few financial years. However, the Group will continue to benefit from tax incentives as long as the government continues the provision of tax incentives especially for promotions of exports. The Group will keep investing in branding activities that qualify for these incentives, which will allow the Group to enjoy the double deduction tax incentives.

- (7) The tax expenses for the Group increased substantially to RM11.878 million compared to tax expenses of RM842,000 in FY2023.

- (a) What are the reasons for the spike in the tax expenses in FY2024?

Response

The Chief Financial Officer responded that the increase in tax expenses for FY2024 was due to a significant portion of unutilised tax incentives and tax losses being utilised in FY2023. This utilisation resulted in a reversal of deferred tax assets recognised in prior year.

- (b) Note 10 to the Financial Statements - Page 86 of the Annual Report disclosed that Deferred Tax amounted to RM8.902 million was attributed to "Origination and reversal of temporary differences". Please explain the nature of this tax expense.

Response

The Chief Financial Officer explained that the nature of the "Origination and reversal of temporary difference" refers to the adjustment made to deferred tax arising from temporary differences.

Note: Temporary differences occur when there is a difference between the carrying amount of an asset or liability in the financial statements and its tax base, leading to timing differences in recognising income or expenses for accounting and tax purposes.

- (c) Will the Group expect similar amount of tax expenses in next 2025 financial year assuming similar amount of turnover?

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Response

The Chief Financial Officer stated that the Company would not be able to estimate the tax expenses for 2025 financial year. This was due to the numerous variables that could influence the final tax liability, including taxable profits and the availability of tax incentives.

- (8) What percentage of the Company's revenue is derived from distributor and retail channels? Does the Company have any long-term supply contracts in place with major customers?

Response

The Managing Director explained that for the Malaysian market, nearly all products are sold directly to retailers. This distribution model applies primarily in Peninsular Malaysia. In East Malaysia, the Group has appointed a local wholesaler to act as its distributor to facilitate logistics operations.

- (9) May I know the product sales percentage of OEM (original equipment manufacturing) products, OTC (over-the-counter) and supplement?

Response

OTC and ethical products contribute approximately equally to the Groups revenue, with each segment representing roughly 50% of the total revenue. Due to the confidential nature of the agreements, the Group is unable to disclose any information regarding OEM products.

- (10) May I know the percentage breakdown of revenue composition contribution between government and private sectors?

Response

The Managing Director informed that approximately 10% of the Group's revenue is derived from purchases made by the central government. The remaining 90% of revenue is generated from ad-hoc orders placed by private sector customers.

- (11) The Group spent RM49.198 million for the purchase of property, plant and equipment in FY2024 (Statement of Cash Flow - Page 81 of the Annual Report). Note 33 to the Financial Statements - Capital Commitments (Page 104 of the Annual Report) disclosed that the Group has approved and contracted capital expenditure (capex) amounting to RM75.897 million. Please provide the details of the capex earmarked for FY2025, the nature of the capex and the expected benefits it brings to the performance of the Group in FY2025 and beyond.

Response

The Managing Director responded that the Group's total capital expenditure commitments amounting to approximately RM162 million. Of this amount, RM75.9 million has been paid to contractors, aligning with the budgeted expenditure.

Several key initiatives are expected to enhance the Group's performance. These include the development of four (4) new manufacturing lines, some of which are dedicated to biopharmaceuticals, and the ongoing construction of a new automated warehouse. This state-of-the-art warehouse will be seamlessly integrated into the Group's manufacturing processes.

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The implementation of automated guided vehicles (AGVs) will streamline the bulk movement of materials within the manufacturing facilities, hence reducing operational costs. By minimising manual handling, the AGVs will help to reduce human error and lower overall costs. The Group remains committed to ongoing automation initiatives across its manufacturing processes.

- (12) Can Company explain more on the progress of biopharmaceuticals partnership as per Page 13 of Annual Report 2024?

Response

The Managing Director highlighted that the process of developing biopharmaceutical product is complex. He further explained that for developing a traditional small molecule medicine typically requires around RM1 million. In contrast, the development of a biopharmaceutical product can cost five times of that amount or more.

This highlights the significant investment and resources needed, underscoring the importance of strategic partnerships with technology owners to bring biopharmaceutical products to the market before transitioning to local manufacturing.

The Managing Director announced that the Group has successfully registered its first biopharmaceutical product, which will be entering the market soon. This achievement marks a significant milestone for the Group, reflecting the commitment to innovation and quality in the biopharmaceutical sector.

The Managing Director assured that the Company will keep the shareholders informed of any significant updates regarding these biopharmaceutical partnership ventures.

- (13) The Management Discussion and Analysis reported that the Group plans to participate in overseas tender bids, particularly for supplying to the public sector. Which overseas market/country that the Group intends to bid for tenders and why the emphasis on the public sector?

Response

The Managing Director explained that the majority of the Group's international business is currently concentrated within the private sector. While the Group has achieved some success in securing government tenders, it maintains its strategic focus on the private sector due to its potential for providing more consistent and sustainable business opportunities.

Foreign Exchange Fluctuation

- (1) How does the Company manage fluctuation of Ringgit Malaysia?
- (2) How does the currency impact the profit since the overseas revenue has increased significantly? What is the Company's strategy to protect the profit as the recent quarterly report indicated a reduce in profit even though the revenue increased?

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Response

The Chief Financial Officer explained that the majority of the Group's exports are denominated in United States Dollar (USD). In the quarterly financial period ended 30 September 2024, there had been a strengthening of the Ringgit Malaysia towards the end of the quarter. However, the Group had benefited from natural hedge as most imports were in USD. Furthermore, the Group has a hedging policy in place to mitigate currency risk on specific export proceeds.

Outlook

- (1) May I know what is the Company's future outlook?

Response

Despite the challenging and competitive landscape in the international export market, the Managing Director expressed optimism regarding future export opportunities. This optimism stems from anticipated geopolitical shifts, which could open up new avenues for growth in regions such as the Middle East and Africa.

For the local market, the Managing Director noted that recent government announcement regarding policy changes are expected to positively impact the Group's prospects. These changes, such as the initiative aimed at strengthening the purchase of locally produced goods, are expected to create favourable conditions for the Group's growth.

- (2) Pharmaceuticals constitute a core strength of the Company's business. However, the recent entry of numerous new players into the Malaysian stock market, particularly in the health product, chemical production, and manufacturing sectors, has indirectly impacted the company. This potential reduction in demands from customers may limit the Company's ability to expand its existing business. What are the company's plans to address this challenge?"

Response

The Managing Director acknowledged that the competitive landscape has become increasingly sophisticated due to evolving market dynamics, including the proliferation of consumer products and the rise of generic products as well as ethical products. He assured the shareholders that the Group has undertaken proactive measures to adapt to this changing environment. The Group's expansion strategy is specifically designed to address this evolving landscape.

Recognising the fluid and dynamic nature of the market, the Managing Director emphasised the Group's commitment to continuous vigilance and adaptability. To further capitalise on these market changes, the Group is pursuing several strategic initiatives. These include the construction of a new automated warehouse, which will significantly enhance operational capacity and facilitate the handling of increased volumes. Furthermore, the Group is actively exploring opportunities within the growing biopharmaceutical sector.

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Dividend

- (1) Was the dividend announced on 27 November 2024, a regular or a one-time special dividend? Can shareholders expect to receive three dividend payments per year? What is the estimated dividend payout for the financial year ending 30 June 2025? What is the Company's dividend policy?

Response

Datuk Chairman responded that the Company does not have a formal dividend policy. However, for the past few years there has been a half yearly dividend payment, taking into account the Group's profitability and cash flow. As for the estimated dividend payout in respect of the current financial year, the Board of Directors would determine the declaration of any interim dividends, depending on the financial performance of the Group.

Door Gifts, e-vouchers or e-wallet

- (1) Dear Board of Directors - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers, please) for being loyal shareholders and attending this meeting. Times are bad. Please be considerate to us shareholders during these trying times. Thank you.
- (2) Will the Board consider giving door gift such e-voucher or e-wallets for those participating in this AGM as a token of appreciation?
- (3) Is there any cash-value gift given as a reward for attending today's meeting?
- (4) Please reconsider to give door gift as a token of appreciation.
- (5) Will the Board consider giving door gift or e-voucher for shareholders who attend this AGM?
- (6) Dear Directors, please kindly give door gift or e-voucher, thanks.
- (7) Would the Board of Directors kindly give door gift, such as the Company's products via courier, as a token of appreciation for attending this virtual AGM. Mr. Chairman, please consider my sincere request. Thank you.
- (8) Appreciate the Board to consider giving door gifts (Kotra products) or e-wallet credits as tokens of appreciation for shareholders attending this Annual General Meeting (AGM).

Response

Datuk Chairman expressed the Board of Directors' sincere gratitude to all shareholders and proxies for their participation in the Annual General Meeting. He clarified that the Company will not be providing any e-vouchers, e-wallets, supplements, or other door gifts to shareholders or proxies who participated in the virtual AGM. The Company plans to resume holding physical Annual General Meeting starting from next year. The provision of door gifts will be considered for future physical AGM.

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Other Questions and Comments

- (1) Is it feasible for the Company to hold a hybrid Annual General Meeting (AGM) in 2025 to enhance shareholder participation?

Response

The Board of Directors has taken note of the suggestion and will consider on that when deciding on the format of AGM.

- (2) Please send a printed annual report.

Response

Shareholders would be able to request for a printed Annual Report 2024 of the Company by filling-in the requisition form as provided in the Annual Report. The printed Annual Report 2024 would be sent over to the shareholders as requested.

- (3) How much does the company spend on this virtual AGM?

Response

The amount that the Company spent on this virtual AGM was minimal, not much different from the first time that the Company had engaged this service provider to help with the conduct of virtual AGM.

- (4) When will the Company going to reward shareholder with bonus issue? Please reply.

Response

Currently, the Company has been rewarding shareholders through dividend payments. The Board of Directors has the discretion to consider rewarding shareholders with bonus issues if deemed necessary. However, at this juncture, the Board prefers to reward the existing shareholders through dividend payments and by striving to enhance shareholder value through measures that contribute to a higher share price.

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QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE THEIR LETTER DATED 22 NOVEMBER 2024 AND RESPONSES FROM THE COMPANY

Operational & Financial Matters

1. Kotra registered a lower revenue of RM226.6 million, representing a 6.5% or RM15.6 million decline from FY2023, primarily due to lower sales of supplement products for both export and local markets.

Nevertheless, the Management believes the lower revenue signifies a normalisation of product demand post-COVID-19.

Does the Group expect a recovery in revenue in FY2025? Which product segment, i.e., nutraceutical, pharmaceutical, over-the-counter (OTC), will drive topline growth in FY2025?

Our Response:

For the FY2024, the Group registered a lower revenue compared to FY2023, which reflected the industry trend as demand normalised in the post-COVID-19 environment. The revenue of RM226.6 million aligned with what we consider as a return to normal growth level. The spike in FY2022 and FY2023 was largely driven by restocking by the retailers, private medical practitioners and hospitals, following the lockdowns that occurred during the pandemic. When COVID-19 restrictions began to ease, there was a noticeable surge in restocking, resulting in higher sales during the two financial years. As a result, the decrease we experienced in FY2024 was a transition back to normal level of product demand.

Overall, we are optimistic about the outlook for FY2025, as we believe the market will continue to adjust and grow in response to consumer needs. We anticipate contributions from all segments, i.e. nutraceuticals, pharmaceuticals and OTC products to drive this growth.

2. In addition to the normalisation of demand, the Group also recorded a significant increase in tax expenses, amounting to RM11.9 million compared to RM0.8 million in the prior year. This increase was mainly due to the reversal of deferred tax assets arising the utilisation of tax incentives and losses brought forward and the recognition of deferred tax liabilities (page 11 of AR2024).

How did the reversal of deferred tax assets arise, given that the reconciliation of income tax expense table shown on Note 10 – Tax Expenses, page 87, AR2024, did not show the reversal? Please clarify.

Our Response:

The unutilised tax incentives (RM12.7 million) and unused tax losses (RM1.5 million) have been recognised as deferred tax assets in financial year ended 30 June 2023 (refer Note 16, page 94 of Annual Report 2024). As such, they would no longer appear in the tax reconciliation.

As at 30 June 2024, these unutilised tax incentives and unused tax losses have been utilised to offset against chargeable income. There was no reversal of deferred tax assets in the tax reconciliation as it would only highlight permanent differences items.

(Annexure B – Responses to the questions submitted by the Minority Shareholders Watch Group (MSWG) vide their letter dated 22 November 2024 – Cont'd)

3. Kotra is actively seeking partnerships with established leaders in the biopharmaceutical industry

- (a) What form of partnership does Kotra seek to establish with prospective partners?

Our Response:

The Group is seeking partnerships with established biotechnology owners in the biopharmaceutical industry. Our aim is to initiate collaborative relationships that focus on securing reliable sources of supply for the development of biopharmaceutical products.

- (b) The manufacturing processes between biopharmaceutical and pharmaceutical products are distinctly different as the former are manufactured using living organisms, while the latter are manufactured through traditional synthetic chemistry.

Besides, biopharmaceuticals are generally more challenging to produce than conventional chemical drugs.

Is the existing manufacturing plant capable of producing biopharmaceutical products? How different is the production process in terms of equipment, production timeframe, expertise, and cost of production between the two?

Our Response:

The development costs associated with biopharmaceuticals are still the same though the processes involved are slightly different. One significant difference in terms of cost is the clinical trial. Due to the nature of biopharmaceuticals, where patient safety is paramount, the expenses related to clinical trials can vary based on the molecule and can be significant.

Unlike pharmaceutical products which have plenty of sources of supply, biopharmaceuticals are reliant on a limited number of biotechnology owners. Previously, these biotechnologies have been concentrated in the Western countries, followed by India and Korea and both countries typically demand high licensing fees. Recently, China has entered this arena and introduced a number of biotechnology owners, providing a broader range of biotechnology options available for collaboration.

The development of biopharmaceuticals is a long journey as it involves upstream process, bioprocesses, downstream fill and finish processes. We plan to start with marketing activities, followed by upstream process with fill and finish before we venture into bioprocesses. All these steps take time, which we hope within the next 5-10 years, we can firmly establish ourselves in biotech products.

Sustainability Matters

1. During FY2024, Kotra recorded seven work-related injuries compared to one case in FY2023 (page 54 of AR2024).

(Annexure B – Responses to the questions submitted by the Minority Shareholders Watch Group (MSWG) vide their letter dated 22 November 2024 – Cont'd)

- (a) Why was there a significant increase in injuries among workers? How severe are the injuries experienced by employees? How did these accidents happen? Did these accidents happen primarily due to human or technical/machinery factors? What were the root causes of these accidents?

Our Response:

The increase in injuries among workers was primarily attributed to human error, as evidenced by the report prepared by our Inspection, Communication & Awareness (“ICA”) team to the Department of Occupational Safety and Health (“DOSH”). The injuries recorded include a range of minor accidents, such as cuts and similar incidents that occurred due to lapses in attention of the personnel and failure to adhere to safety protocols.

- (b) The increased rate of workplace injuries was despite health and safety protection measures implemented, resources and training spent to minimise the risk of injuries.

How does the Group better safeguard the safety and health of workers?

Our Response:

To better safeguard the safety and health of our workers, the Group, via our ICA team, have conducted a thorough investigation to identify the root causes of these incidents. In response, we have implemented both corrective and preventive actions to address these issues, even though no amount of control measures can fully eradicate incidents of accidents at the workplace – they can only provide reasonable assurance and not absolute assurance on complete prevention of industrial accidents. Additionally, the Group has a qualified Safety and Health Officer (“SHO”) specifically tasked with enhancing our workplace safety protocols. This SHO is also responsible to oversee our safety measures and ensure compliance with all regulations.

It is important to note that although the reported incidents were minor accidents, all these incidents were investigated, well documented and reported to the DOSH. Moving forward, we will continue to improve our safety practices and provide continuous training to create a safer working environment for all workers.

Corporate Governance Matters

1. Kotra departed from Practice 1.4 of the Malaysian Code on Corporate Governance (MCCG) which states that the Chairman of the board should not be a member of the Audit Committee (AC), Nomination Committee (NC), or Remuneration Committee (RC).

The Chairman of the Board, Datuk Jamaludin Nasir is a member of the AC and the Chairman of NC and RC. Including Datuk Jamaludin, the Board comprises just two independent non-executive directors (INEDs).

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Having the same person assume the positions of Chairman of the board and Chairman of the board committees may give rise to the risk of self-review and impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the board committees.

Thus, it is recommended that the board's chairman should not be involved in these committees, either a member or chairman, to ensure there is check and balance as well as objective review by the board.

Given the low number of INEDs on the Board, Kotra faces challenges of appointing more INEDs (other than the Chairman) to board committees.

Such an issue could be resolved by appointing more INEDs to the Board. Will the Board consider doing so to enhance the independence and objectivity of boardroom discussions?

Our Response:

The Malaysian Code on Corporate Governance, since its inception in March 2000, has always adopted the principle-based approach as opposed to a rules-based one, i.e., it is recognised that the practices as recommended in the Malaysian Code on Corporate Governance can never be a one-size-fits-all and companies choose to adopt those recommendations they deem fit to contribute to their overall governance processes to achieve corporate objectives. On that premise, the Board of Kotra has always evaluated the recommended practices promulgated by the Malaysian Code of Corporate Governance and applied those deemed suitable, pragmatic and required considering the size and complexity of the of the Group's operations. The Board has chosen to depart from Practice 1.4, where the Chairman of the Board also chairs the Nomination Committee ("**NC**") and the Remuneration Committee ("**RC**"). This decision was made based on the prevailing size of the Company (including the number of active subsidiaries) and the Board, which we believe is the most appropriate approach at this time.

Moreover, the Board believes that it can maintain objectivity without at least 50% of its members being independent members. The Companies Act 2016 mandates directors to act in the best interests of the Company while making decisions with proper purpose and in good faith. Our two Independent Non-Executive Directors ("**INEDs**") play a crucial role in ensuring that any investments or any significant business activities in the Group are subjected to rigorous reviews from an independent perspective. With the two INEDs out of the six Directors, we comply with the Listing Requirements. Board Committee meetings are always held independently of the Board itself, with adequate notice provided to enable effective engagement between the Committee members and members of the Management, enabling the former to make well-informed recommendations to the Board.

In addressing the perceived self-review threat, we believe as a Board, the matters on meeting agenda are dealt with objectively and expeditiously, where matters proposed by Management are rigorously challenged by both the Independent Directors and Non-Independent Non-Executive Directors before decisions are reached. At Board meetings, the Board Chairman, notwithstanding the fact that he is the Chairman of the Nomination and Remuneration Committees, is always mindful to ensure open dialogues are facilitated, allowing all Board members to voice concerns, if any, which enhances both substance and adherence to principles of independence and objectivity.

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As for the inclusion of additional INEDs, we remain guided by the practices espoused in the Malaysian Code on Corporate Governance, i.e., should the Group expand in terms of volume of operations or in the number of subsidiaries, the Board will carefully evaluate its compositional needs then.

2. The Board currently comprises six members, of whom are two Executive Directors, two INEDs, and two Non-Independent Non-Executive Directors. The Board composition aligns with Paragraph 15.02 of the Main Market Listing Requirements, which requires at least two Directors or one-third of Board members, whichever is higher, must be INEDs.

Kotra's Terms of Reference for AC, NC and RC specify that the requisite quorum for committee meetings is two members present, both of whom must be INEDs.

However, with only two INEDs on the Board, both of whom are appointed to the Board Committees, there is a potential risk of not meeting the quorum if one INED is unable to attend due to unforeseen circumstances. This could lead to delays in board proceedings and decision-making.

How does the Board mitigate such risk?

Our Response:

The Board recognises the risk associated in the boardroom with having only two Independent Non-Executive Directors ("**INEDs**"). To mitigate this risk, we have established a practice where meetings will only proceed when both INEDs are available, irrespective of scheduled meetings. So far, our INEDs have consistently attended all meetings. Notably, the Audit Committee Meeting, which is one of the most important Board Committees, has never faced a situation where either of the INEDs was unavailable, whether the meetings were held onsite or online. The flexibility of having virtual meetings has allowed for greater participation. For example, if one of our INEDs faces an unforeseen circumstance where he cannot be at the meeting venue, he can still join the meeting remotely.

While we have thus far been managing the matter effectively, we are aware of the possibility of future situations that may affect the quorum. Should any such situations arise, we are committed to communicating transparently with our shareholders to keep them informed about any necessary adjustments to our governance practices.

3. Internal audit (IA) function

- (a) The Group outsourced its IA function to BDO Governance Advisory Sdn Bhd (BDOGA), which replaced the previous service provider following a review by the AC pertaining to the competency and quality of audit service rendered by the previous service provider.

What were the shortcomings that AC observed in the previous internal auditor? Please elaborate on the competency and quality of audit service observed between the two service providers.

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Our Response:

It has been the practice of the Company to outsource the Group's internal audit function to reputable internal audit service providers. The decision to outsource this function is also premised on the current size of the Group, where an inhouse internal audit function is not economically justifiable. A rigorous process of due diligence is undertaken by the Audit Committee based on the shortlisted potential internal audit service providers before a suitable firm is selected. This review process focuses on the service providers' competencies, backgrounds, independence, and ability to meet our specific requirements, i.e., to provide the necessary assurance on the governance, risk and control processes within the Group in realising its corporate objectives. The last thing on our criteria of course is the cost element. The Audit Committee, during the financial year, decided to switch internal audit service provider, mainly due to a mismatch noted in the overall service delivery and quality of deliverables by the then service provider – there was incompatibility in the quality of deliverables compared to what was promised at proposal stage. There was no disagreement or limitation in the previous internal auditor's scope of work.

In addition to switching internal audit service provider, the Company also engaged an external professional firm to provide fresh insights on how Management identified and prioritised business risks. In this regard, BDOGA was onboarded during the financial year to assist the Management conduct a comprehensive Enterprise Risk Assessment update, where risks identified and ratings ascribed were challenged by the service provider, before reporting to the Audit Committee, which has been entrusted by the Board to oversee risk management. The risk services provided by the same professional firm were however delivered by a team which was different from that performing the internal audit to ensure independence and a robust approach. To ensure the views on risk from the perspective of the Audit Committee members were considered, the risk assessment team from BDOGA engaged with the Independent Non-Executive Directors for their feedback.

- (b) During the FY under review, BDOGA conducted a cycle of IA on the Group's Spare Parts Management and Engineering Maintenance per the approved Internal Audit Plan to assess its adequacy and operating effectiveness. Kotra incurred RM27,700 for the IA work performed.

The one cycle of IA review in FY2024 was primarily due to a comprehensive risk update conducted by BDOGA during the year, where the latter was appointed as a service provider to assist the Management in conducting an update of the Group's business risks.

What is the usual number of IA cycles performed on the Group? Additionally, on average how much does the Company spend on IA work?

Our Response:

As mentioned in 3(a) above, BDOGA was appointed to assist with a comprehensive Enterprise Risk Assessment update that was completed earlier this year. The same firm but a different team conducted the internal audit in the latter part of the year. Since they have engaged with the Board, particularly the Independent Directors, on the Enterprise Risk Assessment update, the

(Annexure B – Responses to the questions submitted by the Minority Shareholders Watch Group (MSWG) vide their letter dated 22 November 2024 – Cont'd)

Audit Committee determined that one internal audit cycle for the financial year under review was sufficient.

Typically, two internal audit cycles are conducted per year, one in each half of the year, covering areas identified through risk assessment process. Each cycle also includes follow-up on the status of Management action plans agreed upon to address internal audit observations highlighted in previous cycles of internal audit work done.

Regarding the average expenditure on internal audit work, over the past few years, we have changed our internal audit service provider twice. The recent internal audit cycle cost was approximately RM27,700. In total, our average internal audit fees would range from RM50,000 to RM60,000 annually.