CONFIDENTIAL

SMIS CORPORATION BERHAD
[Registration No. 199901016957 (491857-V)]
("SMIS" or "the Company")

MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT SEMINAR ROOM 1, KELAB GOLF NEGARA SUBANG, JALAN SS 7/2, KELANA JAYA, 47301 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 28 MAY 2026 AT 10.00 A.M.

PRESENT:

DIRECTORS

Mr Ng Wai Kee	-	Chairman and also a Shareholder
Madam Yap Siew Foong	-	Also a Shareholder
Mr Tan Hock Soon		
Mr Oei Kok Eong		
Ms Tan Yi Woan		

IN ATTENDANCE

Ms Gladys Tia Hwei Ping	-	Representing the Company Secretary, Boardroom Corporate Services Sdn. Bhd. ("Boardroom")

BY INVITATION

Mr Robert Koong Yin Leong	-	Group Financial Controller
Ms Choo Ying Xuan	-	Finance Manager
Mr Ong Teng Yan	-	Representing the External Auditors, Baker Tilly Monteiro Heng PLT ("Baker Tilly")
Ms Kelron Toh	-	Representing Baker Tilly
Ms Nicole Low Siao Tong	-	Representing Baker Tilly
Cik Nawal Binti Ferwahn Fairis	-	Representing Boardroom Share Registrars Sdn. Bhd. ("Share Registrar")
Cik Nur Atiqah Binti Mohd Arif	-	Representing Share Registrar
Cik Nurul Atikah Binti Muhidin	-	Representing Share Registrar
Ms Lee Chia Way	-	Representing Sky Corporate Services Sdn. Bhd. ("Scrutineer")
Ms Lee Kah Lam	-	Representing Scrutineer
Ms Ang Li Fang	-	Representing Scrutineer
Ms Hii Gee Mei	-	Representing Boardroom
Ms Koay Jing Yi	-	Representing Boardroom
Ms Vanessa Lee Xin Ci	-	Representing Boardroom

The list of shareholders, corporate representatives and proxies who attended the Meeting is set out in the attendance list of the Meeting.

1. CHAIRMAN

The Chairman of the Board of Directors ("the Board"), Mr Ng Wai Kee, presided as Chairman of the Twenty-Seventh Annual General Meeting ("27th AGM" or "the Meeting") welcomed all shareholders, corporate representatives, proxies and invitees (collectively known as "Attendees") to the 27th AGM of the Company.

2. QUORUM

The Representative of the Company Secretary confirmed that a quorum was present in accordance with Clause 74 of the Company's Constitution.

With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

The Chairman proceeded to introduce the Board, the Representative of the Company Secretary and External Auditors to the shareholders.

3. NOTICE

The Chairman announced that the Notice convening the Meeting was taken as read as it had been circulated for the prescribed period. The Chairman then proceeded with the business of the 27th AGM.

4. SUMMARY OF THE REGISTRATION AND PROXIES RECEIVED

Based on the report issued by the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., there was a total of Twenty-Four (24) proxy forms received from shareholders, representing Sixteen Million One Hundred Eighty-Nine Thousand Three Hundred and Four (16,189,304) ordinary shares, which accounts for 38.3969% of the total number of issued shares of the Company.

It was further noted that Nineteen (19) shareholders have appointed the Chairman of the Meeting as their proxy, in the event that the first appointed proxy is absent. The shares represented by these proxies are Sixteen Million One Hundred Eighty-Two Thousand Six Hundred and Four (16,182,604) ordinary shares, representing 38.3811% of the total number of issued shares of the Company.

5. SHAREHOLDERS' RIGHTS

The Chairman encouraged the Attendees to participate, speak and vote at the Meeting. The Chairman then proceeded with the business on the agenda.

6. POLLING PROCEDURE AND ADMINISTRATIVE GUIDE

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of the Meeting will be voted on by poll. Pursuant to Clause 78 of the Company's Constitution, the Chairman then demanded a poll to be taken for all the resolutions set forth in the Notice of the 27th AGM.

The Chairman also informed that the Company had appointed the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., as Poll Administrator to conduct the paper polling process and Sky Corporate Services Sdn. Bhd. as Independent Scrutineer to verify the poll results.

The Attendees were informed that voting would commence after the final motion had been tabled. The Chairman then invited the Poll Administrator to brief the polling procedures. The poll results will be announced after the Scrutineer has verified the poll results upon closure of the voting session.

7. AGENDA OF THE 27TH AGM

The Meeting then proceeded with the agenda items as set out in the Notice of the 27th AGM.

The Chairman informed the Meeting that the first item on the agenda was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 ("FYE 2025") together with the Reports of the Directors' and Auditors' thereon ("AFS 2025"), which had been circulated to all shareholders within the prescribed period and were taken as read.

The Chairman further informed the Meeting that this item on the agenda was meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 ("CA 2016") does not require formal approval from the shareholders.

The Chairman proceeded to table nine (9) Ordinary Resolutions to the Meeting for consideration and approval by the shareholders.

8. Q&A SESSION

The Chairman informed that the Company has not received any notice of any other business for the Meeting.

After tabling all the resolutions as set out in the Notice of the 27th AGM, the Chairman invited questions from the floor. Several shareholders made comments and sought clarification on various matters, which were succinctly addressed by the Board. The questions from the Attendees and replies are set out in Appendix I attached hereto.

After having addressed all the questions raised, it was recorded that the AFS 2025 had been duly tabled and received by the shareholders.

9. VOTING SESSION

The shareholders and proxies present were then given time to cast their votes. The Chairman informed that the conduct of the poll and validation of votes by the Poll Administrator and Scrutineer would take approximately thirty (30) minutes. As a result, the Meeting was adjourned and resumed at approximately 11.45 a.m. for the declaration of the poll voting results.

10. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 12.45 a.m. and after obtaining the report from the Scrutineer, the Chairman announced the results of the poll, as follows:

(i) ORDINARY RESOLUTION 1
DECLARATION OF A FINAL SINGLE-TIER DIVIDEND FOR THE FYE 2025

Ordinary Resolution 1	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
Declaration of a final single-tier dividend of 2.00 sen per ordinary share in respect of the FYE 2025.	60	22,455,369	100	0	0	0	Accepted

It was RESOLVED:-

"THAT the declaration of a final single-tier dividend of 2.00 sen per ordinary share in respect of the FYE 2025 be and is hereby approved."

(ii) <u>ORDINARY RESOLUTION 2</u>
APPROVAL OF THE PAYMENT OF NON-EXECUTIVE DIRECTORS' FEES UP TO RM200,000.00 IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2026 ("FYE 2026") AND THE PAYMENT OF BENEFITS PAYABLE UP TO RM50,000.00 TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM THE 27TH AGM UNTIL THE NEXT AGM OF THE COMPANY IN YEAR 2027

Ordinary Resolution 2	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
Approval of the payment of Non-Executive Directors' Fees up to an aggregate amount of RM200,000.00 in respect of the FYE 2026 and the payment of Benefits Payable up to an aggregate amount of RM50,000.00 to the Non-Executive Directors for the period from the 27th AGM until the next AGM of the Company in year 2027.	54	22,432,576	99.8989	5	22,693	0.1011	Accepted

It was RESOLVED:-

"THAT the payment of Non-Executive Directors' Fees up to an aggregate amount of RM200,000.00 in respect of the FYE 2026 and the payment of Benefits Payable up to an aggregate amount of RM50,000.00 to the Non-Executive Directors for the period from the 27th AGM until the next AGM of the Company in year 2027 be and is hereby approved."

(iii) <u>ORDINARY RESOLUTION 3</u>
RE-ELECTION OF DIRECTOR – MR NG WAI KEE

Ordinary Resolution 3	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To re-elect Mr Ng Wai Kee who is retiring under Clause 96 of the Company's Constitution.	57	22,455,176	99.9991	3	193	0.0009	Accepted

It was RESOLVED:-

"THAT the retiring Director, namely Mr Ng Wai Kee, who retired under Clause 96 of the Company's Constitution be and is hereby re-elected as Director of the Company."

(iv) <u>ORDINARY RESOLUTION 4</u>
RE-ELECTION OF DIRECTOR – MR TAN HOCK SOON

Ordinary Resolution 4	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To re-elect Mr Tan Hock Soon who is retiring under Clause 96 of the Company's Constitution.	56	22,455,076	99.9991	3	193	0.0009	Accepted

It was RESOLVED:-

"THAT the retiring Director, namely Mr Tan Hock Soon, who retired under Clause 96 of the Company's Constitution be and is hereby re-elected as Director of the Company."

(v) <u>ORDINARY RESOLUTION 5</u>
RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	57	22,455,176	99.9991	3	193	0.0009	Accepted

It was RESOLVED:-

"THAT the retiring Auditors, Baker Tilly Monteiro Heng PLT, having signified their consent to act, be and is hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Directors."

(vi) <u>ORDINARY RESOLUTION 6</u>
AUTHORITY FOR MR OEI KOK EONG TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

Ordinary Resolution 6	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To approve the authority for Mr Oei Kok Eong to continue in office as Independent Non-Executive Director.	56	22,455,076	99.9991	3	193	0.0009	Accepted

It was RESOLVED:-

"THAT authority be and is hereby given to Mr Oei Kok Eong who has served as an Independent Non-Executive Director of the Company since 21 November 2014 and has served for a cumulative period of more than nine (9) years to continue to act as Independent Non-Executive Director of the Company until 20 November 2026 in accordance with Malaysian Code on Corporate Governance ("MCCG")."

(vii) <u>ORDINARY RESOLUTION 7</u>
PROPOSED RENEWAL OF AUTHORITY UNDER SECTIONS 75 AND 76 OF THE CA 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

Ordinary Resolution 7	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To approve the Proposed Renewal of Authority under Sections 75 and 76 of the CA 2016 for the Directors to allot and issue shares.	52	22,433,876	99.9047	7	21,393	0.0953	Accepted

It was RESOLVED:-

"THAT pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

THAT in connection with the above, pursuant to Section 85 of the CA 2016 and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered from the issuance of new shares by the Company.

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

(viii) <u>ORDINARY RESOLUTION 8</u>
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

Ordinary Resolution 8	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To approve the Proposed Shareholders' Mandate.	51	2,513,251	99.9923	3	193	0.0077	Accepted

It was RESOLVED:-

"THAT, pursuant to Paragraph 10.09 of the MMLR of Bursa Securities, the Company and its subsidiaries ("SMIS Group") be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out under Section 2.4 of Part A of the Circular to Shareholders dated 30 April 2026 with the related parties mentioned therein which are necessary for the SMIS Group's day-to-day operations, subject further to the following:-

(i) the transactions are in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure of the aggregate value of the transactions of the Proposed Shareholders' Mandate conducted during the financial year in the Annual Report for the said financial year,

THAT such approval will continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate was approved, at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the CA 2016 but must not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016; or

(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

(ix) <u>ORDINARY RESOLUTION 9</u>
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")

Ordinary Resolution 9	Votes For			Votes Against			Result
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%	
To approve the Proposed Renewal of Share Buy-Back Mandate.	52	22,452,476	99.9876	7	2,793	0.0124	Accepted

It was RESOLVED:-

"THAT subject to the CA 2016, the Constitution of the Company, the MMLR of Bursa Securities, and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits as at 31 December 2025 to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company;

THAT an amount not exceeding the Company's retained profits account be allocated by the Company for the Proposed Share Buy-Back;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either cancel and/or retain the shares so purchased as treasury shares to dealt with such treasury shares in the manner as set out in Section 127(7) of the CA 2016.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

(i) the conclusion of the next AGM of the Company being the Twenty-Eighth ("28th") AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the 28th AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

Based on the results of the poll voting, the Chairman declared that all nine (9) resolutions as set forth in the Notice of the 27th AGM were carried.

11. CONCLUSION

There being no other business to be transacted, the Meeting concluded at 12.45 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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CHAIRMAN

Date: 10 July 2026

APPENDIX I

SMIS CORPORATION BERHAD
[Registration No. 199901016957 (491857-V)]
("SMIS" or "the Company")

QUESTIONS AND ANSWERS SESSION DURING THE TWENTY-SEVENTH ("27TH") ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY HELD ON THURSDAY, 28 MAY 2026

<u>Questions from Shareholders and Proxyholders and replies from the Company</u>

No.	Description
1.	**Question**
	Will the Company consider selecting AGM venue locations with better access to public transportation connectivity, given that the current venue is approximately 2 km from the nearest train station？
	Answer
	The Board of Directors ("Board") noted the concern raised and observed that the shareholders attendance at the current venue had improved compared to the previous year. The Board was of the view that the venue is appropriate and adequately to accommodate a larger number of shareholders.
2.	**Question**
	A shareholder suggested that the Company consider starting AGM registration earlier (e.g. before 8:00 a.m.) to accommodate shareholders who may wish to register earlier and to ease congestion during the registration process.
	Answer
	The Board noted the shareholder's suggestion and will take into consideration, where appropriate.
3.	**Question**
	Is manual voting using paper ballots more cost-effective compared to electronic voting ("e-voting")?
	Answer
	Manual voting using paper ballots is generally more cost-effective compared to e-voting, particularly given the relatively smaller number of shareholders in attendance. The Board confirmed that this approach has been adopted by the Company consistently over the years.

<u>Questions from Shareholders and Proxyholders and replies from the Company</u> *(Cont'd)*

No.	Description
4.	**Question**
	Given that the Company's cash and cash equivalent balances had increased from RM45,055,000.00 to RM45,745,000.00, can the Board consider providing transportation allowance of RM10.00 to shareholders instead of the current door gift (thermos)? A shareholder suggested that the Company consider giving cash voucher instead of the current door gift, similar to practices adopted by other public listed companies.
	Answer
	The Chairman indicated that the door gift cannot be exchanged with cash. The Board further noted the shareholder's suggestion to provide cash voucher instead, and will take such feedback into consideration, where appropriate.
5.	**Question**
	Will the Chairman provide a briefing on the performance and outlook of the Company and its subsidiaries' (the "Group")?
	Answer
	The Chairman provided an overview of the Group's performance and outlook, noting that industry conditions had soften in 2025. While overall performance remains resilient, operating costs have increased, following the minimum wage adjustments and weaker performance in Indonesia operations due to policy changes under the new administration and currency depreciation. Looking ahead, the Chairman highlighted ongoing challenges arising from global uncertainties, including geopolitical tensions in the Middle East. The Group's products, particularly within the carpet segment, are dependent on petrochemical-based inputs. While demand remained strong in Malaysia, the market is experiencing supply constraints and rising input costs. Cost pressures are expected to intensify, particularly in the second half of 2026. Negotiations with customers on potential price adjustments are ongoing, although such adjustments are not immediate due to prevailing market constraints. The Indonesia business is facing more acute cost pressures, given its reliance on external energy supply. In terms of outlook, the first half of 2026 is expected to remain stable overall, supported by existing orders and supply availability. However, the second half may be more challenging due to potential supply disruptions and cost pressures. The outlook beyond 2026 remains uncertain should these conditions persist.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
	Notwithstanding these challenges, the Group remains financially resilient, with sufficient cash reserves and minimal borrowings, and is well-positioned to navigate the uncertainties ahead.
6.	**Question**
	Why does the Annual Report not provide sufficient description of the Group's manufacturing processes? How are the Group's products produced?
	Answer
	The Group operates on an end-to-end integrated manufacturing process. For its carpet business, the Group starts from raw fibres which are processed into carpets before undergoing lamination with chemical-based plastic materials to enhance acoustic properties. The products are subsequently formed into finished automotive components. For braking system components, the Group adopts a similar integrated approach, whereby aluminium ingots are sourced for casting and machining processes to produce hydraulic components. The Chairman clarified that the Group does not manufacture brake pads, but focuses on hydraulic braking components. The Group's products are engineered products supplied directly to automotive customers, rather than intermediate products. For example, automotive carpet products are custom-designed for each vehicle model, including floor insulation components and boot area fittings, developed in collaboration with vehicle assemblers. Further details, including product visuals, are available on the Company's website. The Board noted the shareholder's suggestion to include more product visuals in the Annual Report, and will take this into consideration in future disclosures, where appropriate.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
7.	**Question** Who are the key competitors of the Company in Malaysia? How does the Company maintain its leading market position amid increasing competition, and how does it sustain its profit margins? **Answer** The Company currently has two (2) key competitors in Malaysia, namely Paragon Car Carpets & Components Sdn. Bhd. and Carpets International Malaysia Manufacturing Sdn. Bhd. These competitors are long-established players which traditionally focused on non-automotive carpets, such as carpets for mosques and other general uses. Their presence in the automotive industry has gradually diminished over time due to a lack of specialised technology and technical capabilities required for automotive applications. The industry has evolved significantly over the past twenty (20) years, shifting from basic floor covering products to more advanced acoustic solutions, driven by increasing consumer expectations. Even entry-level vehicles now require higher acoustic performance, which has contributed to the Company's competitive advantage. The Company maintains its leading position and profit margins primarily through the following key strategies: • Continuous operational improvements and cost optimisation; • Strong capabilities in product design and development; • Technical expertise gained through strategic joint venture with a Japanese partner, enhancing the Company's innovation capabilities; • Integrated end-to-end manufacturing model, providing greater flexibility in cost management and operational efficiency compared to competitors reliant on external sourcing; and • Supply customised components directly to automotive manufacturers (Perodua, Proton, Honda, Toyota and etc.).

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
8.	**Question** Why does page 4 of the Annual Report indicate a 7.6% decline in profit attributable to owners of the Company compared to the previous year, while page 89 shows an increase in profit attributable to owners of the Company? Where does this inconsistency arise from? **Answer** The Chairman acknowledged that there was a typographical error in the Annual Report. The 7.6% figure stated on page 4 should reflect a positive variance, indicating an increase of 7.6% in profit attributable to owners of the Company compared to the previous year.
9.	**Question** Why did the Group's total profit for the financial year ended 31 December 2025 ("FYE 2025") decline compared to the previous year, while profit attributable to owners of the Company increased slightly? Where did the additional profit attributable to shareholders come from? **Answer** This variation arose due to differences in ownership structure across the Group's subsidiaries, whereby entities in which the Company holds a higher equity interest performed better for the FYE 2025. As a result, the share of profits attributable to the Company's shareholders increased, notwithstanding the decline in overall Group's profit.
10.	**Question** The Company holds approximately 6% treasury shares at an average cost of around RM0.45 per share. What are the Board's plans for these treasury shares, including whether they will be cancelled or distributed to shareholders? In addition, given the Company's relatively low share liquidity and small market capitalisation, what is the Board's strategy regarding the share buy-back mandate, and under what conditions will it be exercised? Would the Board also consider alternative measures, such as distributing treasury shares, to enhance liquidity and create value for shareholders? A shareholder suggested that the Company consider cancelling these treasury shares to enhance shareholder value, noting the difference between the carrying cost and current market price.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
	Answer
	The management of treasury shares, including potential share buy-backs, is assessed on an ongoing basis, taking into account prevailing market conditions, share price levels, and the overall financial position of the Company. It was noted that the share buy-back mandate is a standing resolution tabled annually, providing the Board with flexibility to act when appropriate. The Company has previously undertaken share buy-backs, and the Board will continue to evaluate available options, including utilisation, cancellation, or other means of enhancing shareholder value, as part of its ongoing assessment.
11.	**Question**
	In view of the challenging outlook, what action will the Company take to attract investor interest and improve share price performance, given that shareholders currently face difficulty in buying or selling the Company's shares without incurring losses?
	Answer
	The Company remains prudent in its investment approach, ensuring that all investment decisions are carefully evaluated and aligned with its long-term strategy. Although the outlook remains challenging, the Company will continue to explore suitable investment opportunities within its existing business and potential new ventures, where appropriate. Supported by its sufficient cash reserves and strong cash-generating capability, the Company is well positioned to pursue such opportunities when they arise. In the absence of suitable investment opportunities, the Company will continue to focus on developing and optimising its existing operations to deliver sustainable performance. The Board believes that strengthening the Company's business fundamentals and delivering consistent long-term performance will enhance investor confidence and, over time, support the Company's share price performance.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
12.	**Question**
	Are any of the Company's products currently supplied to the electric vehicle ("EVs") market? Does the Company have plans to diversify further into EVs-related products?
	Answer
	The adoption of EVs in Malaysia is currently at an early stage, with the majority of EVs being imported as completely built-up ("CBU") units, resulting in limited local assembly activities. Consequently, there are minimal opportunities for local suppliers, including the Group, to participate in the EV supply chain. This is a broader industry challenge, as the lack of domestic assembly constrains the development of the local automotive ecosystem and manufacturers. However, it was highlighted that the Government is actively encouraging greater localisation within the EV segment, by implementing policies aimed at promoting local assembly and industry participation. Similar trends have been observed in other regional markets such as Thailand and Indonesia, where EV manufacturers rely on imports rather than developing local ecosystems. The Company's ability to participate meaningfully in the EV segment will be dependent on the development of local assembly and supply chain over time. The Chairman clarified that the Group's existing products are compatible with EVs applications, with certain modifications required to meet differing acoustic specifications. The Group has already undertaken limited supply to EV-related projects, albeit at relatively low volumes. The Group is well-positioned to participate in the EV segment, given its technical capabilities, and will actively pursue opportunities, as and when they arise. In the meantime, the Group remains focused on its core business, while continuing to monitor developments in EV localisation and market growth.
13.	**Question**
	Despite the Company's strong market position in the carpet segment, its returns appear to remain modest. What are the Company's strategic plans to improve overall performance, strengthen financial health, and support long-term growth?
	Answer
	The Group currently holds approximately 70% market share in the Malaysian carpet segment. The Group's growth strategy has been focused on expanding into Indonesia, by replicating its proven business model in Malaysia. While the Group's market share in Indonesia have shown progress, achieving approximately 20% and operational

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
	breakeven in 2024, overall performance has been impacted by weaker market conditions and a contraction in demand over the past two (2) years. Notwithstanding this, the Group remains optimistic about the long-term prospects in Indonesia, given the similarities in vehicle models and customer base between Malaysia and Indonesia, which present opportunities to achieve economies of scale and cost efficiency across both markets.
14.	**Question** A shareholder suggested that the Company consider enhancing dividend returns, noting that higher dividends may attract more investors. If the share price remains low while dividends are maintained at current levels, investor interest may be limited, particularly when compared to alternative returns such as Employees Provident Fund ("EPF") yields. **Answer** The Board acknowledged the shareholder's feedback and will take it into consideration.
15.	**Question** The business volume of the Company's industrial segment appears relatively low. Does the Company have the technological capability, such as 3D design capabilities, to expand into a wider range of products and enhance the performance of this segment? **Answer** The industrial segment is primarily a legacy trading business, which has been in operation for approximately fifty (50) years. This segment involves the trading of industrial goods to customers. It was noted that, while the business performed well historically, it is currently undergoing a transition phase, requiring recalibration of its strategy in light of changing market conditions. The Chairman acknowledged that this transition presents certain challenges; but expressed that the Company remains optimistic in identifying new opportunities to enhance this segment going forward.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
16.	**Question** With reference to the Annual Report, the Company's cash at holding company level increased from approximately RM4,200,000 in the previous year to RM8,700,000 for the FYE 2025 (including other investments), while dividends received from subsidiaries amounted to only about RM1,020,000. Could the Board clarify the source of the additional increase in cash at the Company level, beyond the dividend income from subsidiaries? **Answer** The increase in cash at the Company level was primarily attributable to the proceeds from the disposal of a partial interest in a subsidiary, amounting to RM4,564,000, as disclosed on page 94 of the Annual Report.
17.	**Question** With reference to the "Other Investments" section on page 118 of the Annual Report, are the money market funds managed by an investment bank, and if so, which financial institution manages these funds? How do the returns from these investments compare to fixed deposit rates? **Answer** The money market funds are managed by Bank of Singapore, and that the yields generated from these investments are higher than those of fixed deposits.
18.	**Question** With reference to page 122 of the Annual Report, the total trade and other payables amounted to approximately RM30,238,000, of which other payables and accruals comprised RM13,590,000. After excluding the amount of approximately RM1,324,000 payable to a non-controlling interest, could the Board clarify on the nature and composition of the remaining balance of RM12,266,000 under other payables and accruals, as the amount is quite substantial? **Answer** The remaining balance of RM12,266,000 under other payables and accruals relates to normal business operations and the day-to-day running of the Group's manufacturing activities. This includes amounts relating to raw material purchases, royalty payments, and the acquisition of equipment. These balances primarily comprise contracted goods and services that have been incurred but not yet paid.

Questions from Shareholders and Proxyholders and replies from the Company *(Cont'd)*

No.	Description
19.	**Question** With reference to page 155 of the Annual Report, PT Grand Ventures Hartamas owns three (3) units of double-storey residential houses, of which one (1) unit is currently rented out while the remaining two (2) units are vacant. Are there any plans for the utilisation of the remaining vacant units? **Answer** The Company is currently reviewing its options in light of prevailing market conditions, and is likely to rationalise one of the properties as part of its asset optimisation strategy.
20.	**Question** With reference to page 154 of the Annual Report, Mr Lim Kong Hwee ("Mr Lim")'s shareholdings, when aggregating 3.54% (Item 3) and 1.72% (Item 11), appear to exceed the 5% disclosure threshold under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Is this an error? What are the implications, and what actions will the Company take? **Answer** The disclosure presented is based on the Top 30 Shareholders list as obtained from Bursa Securities, which reflects registered holdings under individual nominee accounts. A shareholder may hold shares through multiple nominee accounts, and such holdings are not automatically aggregated by the Company and/or Bursa Securities unless formal notification is received. The Company has not received any notification of substantial shareholding from Mr Lim to date. Under the MMLR of Bursa Securities and/or the Companies Act 2016, the obligation to notify the Company upon exceeding the 5% threshold rests with the shareholder. In the absence of such notification, the Company is unable to aggregate and disclose the shareholdings as a substantial shareholder in the Annual Report, nor to make any corresponding announcement.

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