

RHONG KHEN INTERNATIONAL BERHAD
[Registration No. 199401017151 (302829-W)]
(Incorporated in Malaysia)

MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING OF RHONG KHEN INTERNATIONAL BERHAD (“RKI” OR “THE COMPANY”) HELD AT GLENMARIE HOTEL & GOLF RESORT, NO. 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 28 NOVEMBER 2024 AT 12.00 NOON

PRESENT:

Dato’ Dr Norraesah Binti Haji Mohamad	–	Chairman/Independent Non-Executive Director
Madam Lin Chen, Jui-Fen	–	Deputy Executive Chairman/ Executive Director
	–	Also as shareholder
Mr. Lin, Chin-Hung	–	Managing Director
	–	Also as shareholder
Mr. Sandra Segaran A/L Muniandy @ Krishnan	–	Independent Non-Executive Director
Mr. Toh Seng Thong	–	Non-Independent Non-Executive Director
Mr. Yek Siew Liong	–	Non-Independent Non-Executive Director

IN ATTENDANCE:

Mr. Yeoh Joe Son	–	Company Secretary/Group Finance Director
Ms. Tia Hwei Ping	–	Company Secretary

BY INVITATION:

Mr. Fong Toh Wai	–	Group Financial Controller
Mr. Chuan Yee Yang	–	Representing Messrs Ernst & Young PLT (“EY”)
Mr. Jerry Ang Zi Kang	–	Representing EY
Ms. Tay Si Wei	–	Representing Boardroom Corporate Services Sdn Bhd (“Boardroom”)
Ms. Ang Li Fang	–	Representing Boardroom
Ms. Nurhayati Ang Abdullah	–	Representing Securities Services (Holdings) Sdn Bhd
Ms. Yuli Chew Lai Ping	–	Commercial Quest Sdn Bhd (“Commercial Quest”)

SHAREHOLDERS AND PROXIES

The shareholders and proxies who attended the Meeting were set out in the Attendance Lists.

CHAIRMAN

Dato' Dr Norraesah Binti Haji Mohamad ("the Chairman") being the Chairman of the Board of Directors ("Board") presided as Chairman of the Thirtieth Annual General Meeting ("30th AGM" or "the Meeting") and welcomed the shareholders, proxies and invitees to the Meeting.

The Chairman thereafter introduced the members of the Board, Group Finance Director, Group Financial Controller, Company Secretary and Auditors to the Meeting.

QUORUM

The requisite quorum being present pursuant to Clause 74 of the Company's Constitution, the Chairman declared the Meeting duly convened at 12:00 noon.

NOTICE

With the consent of the Members present, the Notice convening the Meeting having been circulated within the prescribed period was taken as read. The Chairman then proceeded with the business of the 30th AGM.

SUMMARY OF PROXY FORMS RECEIVED

Based on the Poll Administrator Report, the Company had received a total of thirty (30) proxy forms from shareholders for a total of 131,733,975 ordinary shares representing 67.57% of the total issued share capital of the Company within stipulated prescribed period of forty-eight (48) hours before the time for convening this Meeting.

POLLING AND VOTING PROCEDURE

The Chairman informed the Meeting that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 30th AGM would be voted by poll. Pursuant to Clause 78 of the Company's Constitution, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the Annual General Meeting.

The Chairman also informed the Meeting that Securities Services (Holdings) Sdn Bhd has been appointed as Poll Administrators to facilitate the poll voting and Commercial Quest has been appointed as the Independent Scrutineer to validate the poll results.

The Chairman further informed that the Meeting shall go through all the resolutions and proceed with the polling process after the last resolution has been tabled and deliberated.

The Chairman then proceeded with the agenda items set out in the Notice of the 30th AGM.

1. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 TOGETHER WITH REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the Audited Financial Statements for financial year ended 30 June 2024 was meant for discussion only. It would not be put for voting by the shareholders as it does not require a formal approval from the Company's shareholders.

The Chairman informed that the Company had received questions from the Minority Shareholders Watch Group ("MSWG") before the Annual General Meeting. The Group Financial Controller, Mr. Fong presented to the shareholders the questions raised by MSWG in its letter dated 25 November 2024, along with the Company's responses. The Chairman also stated that the said questions and responses would also be posted on the Company's website in due course. A copy of the questions and responses is attached herewith as "Annexure A".

The Chairman then invited questions from the floor pertaining to the Audited Financial Statements for financial year ended 30 June 2024, which had been previously circulated to all shareholders.

The followings issues were raised by the shareholders/proxies and discussed:-

(a) Uncertainty of Foreign Exchange ("Forex")

In response to the question raised by Mr. Poravi A/L S P Sithambaram Pillay ("Mr. Pillay") on the impact of Forex uncertainty towards the Company, the Management responded that investments in Vietnam and Thailand are reported in United States dollar (USD). As such, the Company's foreign exchange reserves will only be affected when the USD fluctuates. However, fluctuations of foreign exchange reserves have no impact on cash flow of the Company.

(b) Declaration of Dividends

In response to the question raised by Mr. Lew Tuck Wai ("Mr. Lew") on the declaration of dividends, the Management responded that the Company has its own strategy for declaring dividends to ensure dividends are declared consistently in both good times and challenging times.

(c) Disposal of land

Mr. Lew also enquired whether the Company has plan to dispose the vacant lands duly acquired over the years, the Management replied that the Company will consider disposing the land if a good price was offered.

(d) Diversification of the Polyester Board Investment

Mr. Lew enquired on the status of diversification of the polyester board investment, the Management replied that polyester board investment already contributing profits to the Group.

(e) Treasury Shares to Employees' Share Scheme ("ESS")

In response to the question raised by Mr. Chee Sai Mun ("Mr. Chee") on the reason that the Company transferred its treasury shares to ESS, the Management replied that the Company transferred its treasury shares to ESS to reward its eligible employees.

(f) Share Buy-Back

Mr. Chee enquired on whether the Company will consider for Share Buy-Back exercise, the Management replied in the affirmative and added that the Company will monitor the share price and exercise Share Buy-Back when necessary.

(g) Loss-making subsidiaries

In view of the loss-making operations of some of the subsidiaries, Mr. Chee enquired on whether the Company had any plan to shut down the loss-making subsidiaries, the Management replied in the negative as the losses were mainly due to temporary unfavourable market conditions and not due to production inefficiency or not competitiveness. Furthermore, the loss-making subsidiaries are supplying essential raw materials to support operations of profit-making subsidiaries.

(h) Solar Panels

Mr. Chee opined that the Company should add more solar panels to the operational factories for the purpose of saving electricity cost, the Management responded that the Company was in the midst of applying approvals from the Vietnam regulatory authorities to install solar panels at a factory in Vietnam, while the factory in Thailand was in the process of final negotiation on agreement terms with a solar panel vendor.

(i) Provision for Severance Allowance

Mr. Chee further enquired on the purpose of providing severance allowance to Vietnam's workers, the Management replied that the provision of

severance allowance to Vietnam's workers is a regulatory requirement by the Vietnamese authorities.

After addressing all the questions raised, the Chairman declared THAT the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon had been duly tabled and received by the shareholders.

Thereafter, the Chairman went through each of the motion as set out in the Notice of the 30th AGM.

2. ORDINARY RESOLUTION 1
FINAL SINGLE-TIER DIVIDEND

The Chairman informed that Ordinary Resolution 1 was to approve the final single-tier dividend of 3.0 sen per ordinary share for financial year ended 30 June 2024.

Since there was no question from the shareholders, the Chairman proceeded with the next agenda item.

3. ORDINARY RESOLUTION 2
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES AND DIRECTORS' BENEFITS UP TO RM350,000.00 FOR THE PERIOD FROM 29 NOVEMBER 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY PAYABLE QUARTERLY IN ARREARS

The Chairman informed that Ordinary Resolution 2 was to approve the payment of Directors' fees and Directors' benefits up to RM350,000.00 for the period from 29 November 2024 until next Annual General Meeting of the Company payable quarterly in arrears.

Since there was no question from the shareholders, the Chairman proceeded with the next agenda item.

4. ORDINARY RESOLUTION 3
RE-ELECTION OF DATO' DR NORRAESAH BINTI HAJI MOHAMAD, WHO RETIRED BY ROTATION IN ACCORDANCE WITH CLAUSE 96 OF THE COMPANY'S CONSTITUTION

As Dato' Dr Norraesah Binti Haji Mohamad was seeking for re-election, the chairmanship was then handed to Mr. Sandra Segaran A/L Muniandy @ Krishnan, the Independent Non-Executive Director of the Company to chair this segment of the Meeting.

Mr. Sandra Segaran A/L Muniandy @ Krishnan informed the Meeting that Ordinary Resolution 3 was to approve the re-election of Dato' Dr Norraesah Binti

Haji Mohamad who retired pursuant to Clause 96 of the Company's Constitution and has offered herself for re-election.

Since there was no question from the shareholders, Mr. Sandra Segaran A/L Muniandy @ Krishnan then handed the chair over to Dato' Dr Norraesah Binti Haji Mohamad, the Chairman to continue with the remaining agenda of the Meeting.

**5. ORDINARY RESOLUTION 4
RE-ELECTION OF MADAM LIN CHEN, JUI-FEN, WHO RETIRED BY
ROTATION IN ACCORDANCE WITH CLAUSE 96 OF THE COMPANY'S
CONSTITUTION**

The Chairman informed the Meeting that Ordinary Resolution 4 was with regards to the re-election of Madam Lin Chen, Jui-Fen, who retired pursuant to Clause 96 of the Constitution and has offered herself for re-election.

Since there was no question from the shareholders, the Chairman proceeded with the next agenda item.

**6. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF AUDITORS**

The Chairman informed the Meeting that Ordinary Resolution 5 was with regards to the re-appointment of Messrs Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Messrs Ernst & Young PLT was eligible for re-appointment at a fee to be fixed by the Directors under Section 264(5) of the Companies Act 2016 ("Act"), Messrs Ernst & Young PLT have signified their consent to continue to act as Auditors of the Company for the ensuing year.

Since there was no question from the shareholders, the Chairman concluded the Ordinary Business of the Annual General Meeting and proceeded with the Special Business on the agenda item.

**7. ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO
PURCHASE ITS OWN SHARES**

The Chairman informed that Ordinary Resolution 6 was to seek the renewal of the share buy-back authority granted by the shareholders to the Company at the last Annual General Meeting on 29 November 2023, which would lapse at the conclusion of this Meeting. The resolution, if passed, would authorise the Company to make market purchases of its own shares as permitted by the Act.

The detailed information on proposed renewal of authority for the Company to purchase its own shares was set out in the Statement to Shareholders dated 30 October 2024.

Since there was no question from the shareholders, the Chairman proceeded with the last agenda item.

**8. ORDINARY RESOLUTION 7
AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016**

The Chairman informed that last Ordinary Resolution 7 was to seek approval from the shareholders to provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to a maximum of 10% of the total number of issued shares of the Company, subject to Section 75 of the Act and also to seek shareholders to waive their pre-emptive rights pursuant to Section 85 of the Act read together with Clause 59 of the Company's Constitution.

Since there was no question from the shareholders and all the agenda items of this Meeting have been deliberated, the Chairman then proceeded to conduct the poll on all resolutions set out in the Notice of the 30th AGM.

BALLOTING PROCESS

The Chairman directed for the closing of the registration of the shareholders and proxies for the Annual General Meeting and invited the scrutineer, Commercial Quest to brief on the polling procedure. The representative of Commercial Quest requested the shareholders and proxies to complete and sign the polling forms, before depositing them into the ballot box.

The Meeting was then adjourned at 1.17 p.m. for the votes to be counted and to enable the scrutineer to tabulate the results of the poll.

The Meeting resumed at 1.35 p.m. for the declaration of the results of the poll.

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ANNOUNCEMENT OF POLL RESULTS

The Chairman announced the results of the poll as follows:-

ORDINARY RESOLUTION 1

– FINAL SINGLE-TIER DIVIDEND

Ordinary Resolution 1	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2024</i>	132,508,779	100.0000	-	-	Carried

It was unanimously RESOLVED THAT the payment of a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2024 be and is hereby approved.

ORDINARY RESOLUTION 2

– DIRECTORS' FEES AND BENEFITS UP TO RM350,000 FOR THE PERIOD FROM 29 NOVEMBER 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING

Ordinary Resolution 2	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve the payment of Directors' fees and benefits up to RM350,000 for the period from 29 November 2024 until the next Annual General Meeting of the Company payable quarterly in arrears</i>	132,505,519	100.0000	60	0.0000	Carried

It was RESOLVED THAT the payment of Directors' fees and benefits up to RM350,000.00 for the period from 29 November 2024 until the next Annual General Meeting of the Company payable quarterly in arrears be and is hereby approved.

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Rhong Khen International Berhad

[Registration No. 199401017151 (302829-W)]

Minutes of the Thirtieth Annual General Meeting held on 28 November 2024

ORDINARY RESOLUTION 3**– RE-ELECTION OF DIRECTOR – DATO' DR NORRAESAH BINTI HAJI MOHAMAD**

Ordinary Resolution 3	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Dato' Dr Norraesah Binti Haji Mohamad as Director</i>	132,501,879	99.9972	3,700	0.0028	Carried

It was RESOLVED THAT Dato' Dr Norraesah Binti Haji Mohamad, who retired pursuant to Clause 96 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4**– RE-ELECTION OF DIRECTOR – MADAM LIN CHEN, JUI-FEN**

Ordinary Resolution 4	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Madam Lin Chen, Jui-Fen as Director</i>	132,505,179	99.9997	400	0.0003	Carried

It was RESOLVED THAT Madam Lin Chen, Jui-Fen, who retired pursuant to Clause 96 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5**– RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 5	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration</i>	132,505,579	100.0000	-	-	Carried

It was unanimously RESOLVED THAT the retiring Auditors, Messrs Ernst & Young PLT, having indicated their willingness to accept the re-appointment, be hereby re-appointed as the auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.

ORDINARY RESOLUTION 6**– PROPOSED RENEWAL OF AUHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

Ordinary Resolution 6	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Proposed Renewal of authority for the Company to purchase its own shares</i>	132,508,719	100.0000	60	0.0000	Carried

It was RESOLVED THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise the maximum amount of funds available in the Company which shall not exceed the Company’s aggregate retained earnings to purchase such amount of shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) 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 ten per centum (10%) of the total number of issued shares of the Company;

THAT an amount not exceeding the Company’s retained earnings account be allocated by the Company for the Proposed Renewal of Share Buy Back Authority;

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 (in accordance with Section 127 of the Act);

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

- (a) the conclusion of the next AGM of the Company following the 30th AGM, at which such resolution was passed, 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; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) 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 Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.

ORDINARY RESOLUTION 7

– AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 7	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority for Directors to issue and allot shares in the Company pursuant to Section 76 of the Companies Act 2016</i>	132,501,951	99.9948	6,828	0.0052	Carried

It was RESOLVED THAT subject to Section 76 of the Act, the Directors be and are hereby empowered to issue and allot shares in the Company at any time until the conclusion of the next AGM and 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 ten per centum (10%) of the total number of issued shares capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance.

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

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CONCLUSION

There being no other business to be transacted, the Meeting concluded at 1.38 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- Signed -

CHAIRMAN

Rhong Khen International Berhad
[Registration No. 199401017151 (302829-W)]

Minority Shareholders Watch Group Questions and Responses

Operational & Financial Matters

Question 1 – Financial Performance:

Five Years Financial Highlights	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	521,624	649,423	756,324	911,943	684,740
Profit for the year	11,232	21,855	35,524	53,791	16,789

(Page 3 of the Annual Report (AR) 2024 /AR2024)

- (a) The Group's top and bottom lines declined after FY2021. What are the measures taken to improve the profitability of the Group in FY2024 and going forward?
- (b) As reported by NBC News on 9 November 2024, experts say the mortgage rate will likely stay above 6% for the foreseeable future.

(Source: <https://www.nbcnewyork.com/news/national-international/prospective-homebuyers-mortgage-rates-remain-elevated/5971437/>)

Does the Group foresee another tough year and sluggish orders from the United States? Given that the United States is the largest market for the Group's products (Page 102 of AR2024), what are some of the opportunities available to the Group in the next 12 months and what is its strategy for its geographical markets for its products?

Reply for Question 1 (a):

The Group has taken the following measures to improve the profitability of the Group since FY2022:

- (i) Implement cost control strategies across all operating subsidiaries;
- (ii) Enhance production efficiency by upgrading our existing production lines with advanced and automated machinery;
- (iii) Continuous development of new products and designs with the prevailing market situation; and
- (iv) To reduce the concentration on US market by diversification into other segments and markets.

Reply for Question 1 (b):

That was an opinion of experts only and may not necessary be the case. Anyway the Group has taken tremendous efforts to penetrate new markets over the years i.e. development of new products and designs that suits new market demand.

Question 2 – Gross Profit Margin:

In FY2024, the Group's gross profit margin (GPM) improved to 12.8% from 12.3% in FY2023, mainly due to better cost control and the strengthening of USD against RM (Page 6 of AR2024).

- (a) Which of the Group's products had the highest margins in FY2024? Are these products expected to maintain their margins?
- (b) Is the cost control exercise ongoing? What entails and which cost component is subject to this exercise?
- (c) The RM has recently strengthened against the USD and may strengthen further by year-end, as the New Straits Times reported in its article "*Ringgit could strengthen to RM3.80 against the US dollar by end-2024: economists*", dated 29 September 2024. What is the outlook for the Group's overall GPM in FY2025, and can the Group maintain its double-digit margin?

Reply for Question 2 (a):

Profitability of furniture products varies by customer, design, material or quantity. The Group has taken necessary steps to maintain its profit margin moving forward by working closely with our vendors and sub-contractors. High end products are usually contributing better profit margin.

Reply for Question 2 (b):

The cost control exercise is on-going and applies across our cost structures ie materials, labours and overheads.

Reply for Question 2 (c):

The Group hopes to maintain its double-digit margin for FY2025 based on the on-going cost control exercise implementation across all operating division. We are not able to comment on the article of the possibility of strengthening of RM by year end. However, for the benefit of the shareholders, this is unlikely to have a major impact on the Group's gross profit margin.

Question 3 – Capital Expenditure:

In FY2024, total capital expenditure (CapEx) incurred by the Group was RM8.8 million, mainly on plant and machinery and construction of a workers' quarter at one of its Malaysia plants. The addition of plant and machinery was to upgrade its existing production lines with advanced and automated machinery to enhance production efficiency further and reduce workers. The construction of a workers' quarter provides a centralised, systematic, and conducive living environment for its workers (Page 7 of AR2024).

(a) What is the RKIB's budget CapEx requirement for FY2025, and what is its allocation for?

(b) What is the progress of the abovementioned initiatives? In terms of operational efficiency, what is the optimal level between machine and human workers that RKIB aspired to achieve in the long run?

Reply for Question 3 (a):

The Board of RKIB had approved the CapEx budget of approximately RM10.0 million for FY2025 to purchase new machinery with better performance or advanced technology.

Reply for Question 3 (b):

The initiative is on-going, and we noted improvement in production efficiency and reduced reliance of workers over the years. We are planning to achieve an optimal level of at least 30% to 50% between machine and human workers.

Question 4 – Future Prospect:

The Group is always ready for any acquisition or joint venture (JV) opportunities for business or assets that are related and synergise with RKIB's activities (Page 9 of AR2024).

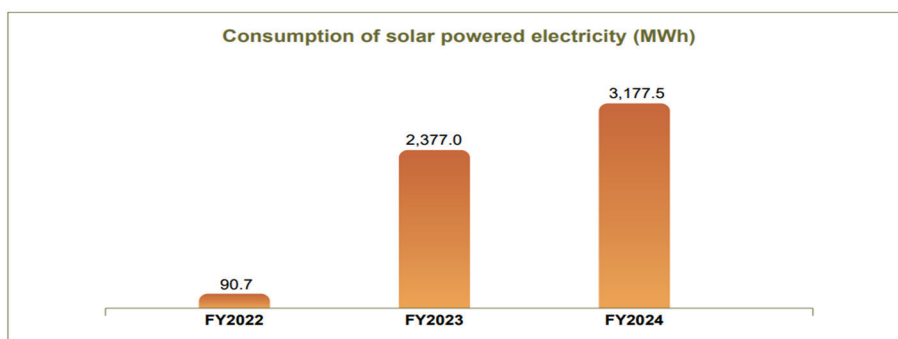
Are there any talks or discussions with any parties regarding potential acquisition or JV opportunities for the business or assets so far? If so, what is the update on this?

Reply for Question 4:

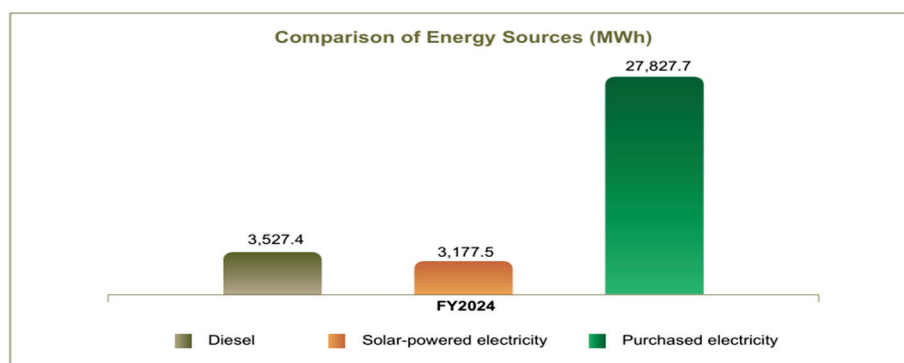
There is none as at the date of this letter.

Sustainability Matters

Question 5 – Energy Management:



(Page 45 of AR2024)



(Page 46 of AR2024)

Despite the increased consumption of solar-powered electricity to 3,177.5 megawatt-hours (MWh) in FY2024, it is still low compared to non-renewable sources, representing only 9.22% out of the total MWh of 34,532.6. This condition presents an opportunity to increase the consumption of solar-powered electricity. Currently, the Group has solar panel systems in two manufacturing sites (Page 45 of AR2024).

- (a) As solar panels can significantly reduce a business's carbon footprint and lower electricity bills through less reliance on the electricity grid, what is the prospect of the use of solar panels and installing another solar panel system soon since the Company has the total site area of the seven (7) manufacturing plants (Page 10 of AR2024)?
- (b) What is the Group's targeted energy consumption mix in the next two financial years, if any?

Reply for Question 5 (a):

One of our Vietnam subsidiaries has entered into rooftop solar power purchase agreement with a solar vendor in Vietnam in Q4FY2024. This subsidiary is currently waiting for Vietnam regulatory approval before installation. The commissioning of the solar system is expected to be in Quarter 1 FY2026.

Reply for Question 5 (b):

We will set an energy target in coming financial years after assessing the feasibility of our energy trends.

Corporate Governance Matters:

Question 6 – Corporate Governance:

Practice 1.4 of Malaysian Code on Corporate Governance (MCCG) states that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The Company has not applied Practice 1.4 of MCCG (CG Report 2024).

The Chairman of the board should not be involved in these Board committees to ensure a check and balance and objective review by the Board (Guidance/G1.4 of MCCG).

Reply for Question 6:

Specific Terms of Reference were adopted by each of the Board Committees, which clearly laid down the roles and responsibilities of the members. Therefore, despite Dato' Dr Norraesah holds the position as the Chairman of the Board, being an Independent Chairman and a well-trained finance professional, her objectivity and independence is least possible to be impaired given the degree of professionalism from RKIB's interaction with and understanding of Dato' Dr Norraesah. All Board members are well aware of that ultimately, the Board collectively is responsible for overseeing all matters relating to the Group.