KELINGTON GROUP BERHAD
Registration No. 199901026486 (501386-P)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED VIRTUALLY FROM THE BROADCAST VENUE AT LOT 9-11, MENARA SENTRAL VISTA, NO. 150 JALAN SULTAN ABDUL SAMAD, BRICKFIELDS, 50470 KUALA LUMPUR ON WEDNESDAY, 23 OCTOBER 2024 AT 10:00 A.M.

SHAREHOLDERS/ PROXIES
As per attendance list (Participation via Remote Participation and Voting ("RPV") Facilities)

DIRECTORS

Soo Yuit Weng*	-	Chairman/Senior Independent Non-Executive Director
Gan Hung Keng*	-	Executive Director /Chief Executive Officer
Ong Weng Leong*	-	Executive Director/Chief Operating Officer
Cham Teck Kuang	-	Non-Independent Non-Executive Director
Hu Keqin	-	Non-Independent Non-Executive Director
Ng Meng Kwai	-	Independent Non-Executive Director
Rahima Beevi Binti Mohamed Ibrahim	-	Independent Non-Executive Director
Chow Meow Luan	-	Independent Non-Executive Director
Chin Wei Min	-	Independent Non-Executive Director

ABSENT WITH APOLOGIES

Soh Tong Wah	-	Non-Independent Non-Executive Director

IN ATTENDANCE

Tan Bee Hwa*	-	Company Secretary

BY INVITATION

Jong Yu Huat*	-	Chief Financial Officer
Ng Eng Hoe*	-	Group Finance Controller
Har Wai Ming*	-	Senior Executive - Corporate Compliance and Integrity Department
Yap Ying Shye, Emily*	-	Representative of TMF Administrative Services Malaysia Sdn. Bhd.
Winston Loh Tze Kiong* Rachel Low Vei Jing*	}	Representatives of UOB Kay Hian Securities (M) Sdn. Bhd. ("Principal Adviser")
Lai Swee Sim* Tan Vee Han* Chan Yih Sen*	}	Representatives of MainStreet Advisers Sdn. Bhd. ("Independent Adviser")
Lim E-ling Elaine Tan Ai Lin Tan Jing Xuan Chin Pei Yi	}	Representatives of Messrs Lin Partnership ("Solicitor")
Chia Woo Hiem, Samuel* Wong Huan Jun* Sangetha A/P Rajendran* Tan Kean Cheong* Chia Kar Ching, Zen*	}	Representatives of Dvote Services Sdn. Bhd.
Tan Hui Yin Santhi Saminathan	}	Representatives of Sky Corporate Services Sdn. Bhd.

* Attending physically from broadcast venue.

1. OPENING

In view of the Board Chairman, Mr. Gan Hung Keng, being an interested party in the transaction, Mr. Soo Yuit Weng presided as the Chairman of the Meeting and welcomed all present at the Extraordinary General Meeting ("EGM" or "the Meeting") of the Company.

The Chairman informed that the EGM of the Company was conducted virtually through live streaming from the Broadcast Venue, with online remote voting using the Remote Participation and Voting ("RPV") facilities, without physical attendance by shareholders and proxies.

Thereafter, the Chairman went on to introduce the members of the Board who were present at the Broadcast Venue and the Chief Financial Officer, the Company Secretary and the Advisers. He then introduced the rest of the Directors who participated in this Meeting remotely.

The Chairman, on behalf of Mr. Soh Tong Hwa, the Non-Independent Non-Executive Director, extended his apology for not being able to attend the Meeting.

The Chairman further informed that any visual or audio recording was strictly prohibited during the EGM.

2. QUORUM

The Company Secretary confirmed the presence of the requisite quorum in accordance with Clause 70 of the Company's Constitution.

With the requisite quorum being present, the Chairman called the Meeting to order at 10:00 a.m.

3. NOTICE OF MEETING

The Chairman informed the Meeting that the Circular to Shareholders together with the Notice of Meeting had been issued to all shareholders via electronic means on 8 October 2023 and the same can be downloaded from the Company's website. Furthermore, the Notice was duly advertised in the mainstream newspaper, The Star Newspaper within the prescribed period.

There being no objection, the Notice convening the Meeting was taken as read.

4. PROCEEDING

Before proceeding to the agenda of the Meeting, the Chairman informed the Meeting that:

a) Pursuant to the Main Market Listing Requirements and the Constitution of the Company, it was mandatory for all listed issuers to conduct poll voting on the proposed resolution as set out in the Notice of the General Meeting.

Accordingly, Dvote Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process whilst SKY Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineers to validate the results of the poll voting.

b) The results of the votes would be announced at the conclusion of the EGM stating the total number of votes cast on the poll (together with the percentage) in favour of and against each and every resolution.

c) The voting session is available now until the closure of the voting session which would be announced later.

All votes were to be submitted via Dvote Online and a step-by-step guide together with a short audio clip on the online voting module was played.

5. ORDINARY RESOLUTION

- PROPOSED ACQUISITION OF THE REMAINING 9.29% EQUITY INTEREST IN ACE GASES SDN. BHD. FOR A PURCHASE CONSIDERATION OF RM35,692,893 TO BE SATISFIED VIA A COMBINATION OF RM10,079,482 IN CASH AND RM25,613,411 VIA THE ISSUANCE OF 7,590,958 NEW ORDINARY SHARES IN KGB ("KGB SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM3.3742 PER SHARE ("PROPOSED ACQUISITION")

The Chairman informed that the Agenda of the Meeting was to obtain the members' approval for the Proposed Acquisition. The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been clearly set out in the Circular to Shareholders dated 8 October 2024.

The interested parties namely, Palace Star Sdn. Bhd., Ir. Gan Hung Keng, Mr. Ong Weng Leong, Mr. Cham Teck Kuang, Mr. Hu Keqin, Mr. Soh Tong Hwa, Mr. Chong Ann Tsun and Mr. Alan Lim Chui Boon, and persons connected to them, were interested in the transaction and accordingly, all of them should abstained from voting on the proposed resolution.

6. Q&A SESSION

The Chairman informed that the Company had received questions prior to and during the EGM. The questions received would be moderated to avoid repetition and would be summarised for reasons of brevity.

The Advisors and Management would address the relevant questions accordingly. The Questions received prior to and during Meeting together with the answers was attached as **Annexure 1**.

7. POLLING

After having addressed the questions received, the Meeting proceeded with the casting of votes for the proposed resolution.

The Chairman then announced that the time allowed for the casting of votes would be five minutes and that the countdown would automatically end after five minutes of duration.

The counting of votes by the Poll Administrator and the validation of votes by the Independent Scrutineers was anticipated to take approximately 20 minutes. Having concluded the voting session, the Chairman adjourned the Meeting.

8. DECLARATION OF POLLING RESULTS

Upon counting the votes cast, the Chairman called the Meeting to order and declared that, based on the results obtained from the Independent Scrutineers, the proposed resolution tabled at the EGM and voted upon by poll were duly passed by the Shareholders of the Company as detailed below:

Resolutions	For			Against		
	No. of Shareholders	Number of Shares	%	No. of Shareholders	Number of Shares	%
Ordinary Resolution Proposed Acquisition	197	305,826,047	99.8612	7	425,010	0.1388

The Chairman declared that, based on the results obtained from the Independent Scrutineers, the proposed resolution tabled at the EGM and voted upon by poll was **CARRIED** and the Meeting **RESOLVED**:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF THE REMAINING 9.29% EQUITY INTEREST IN ACE GASES SDN BHD FOR A PURCHASE CONSIDERATION OF RM35,692,893 TO BE SATISFIED VIA A COMBINATION OF RM10,079,482 IN CASH AND RM25,613,411 VIA THE ISSUANCE OF 7,590,958 NEW ORDINARY SHARES IN KGB ("KGB SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM3.3742 PER SHARE ("PROPOSED ACQUISITION")

THAT, subject to the conditions precedent stipulated under the conditional shares sale agreement dated 29 July 2024 ("**SSA**") between KGB and Palace Star Sdn Bhd, Chong Ann Tsun and Alan Lim Chui Boon (collectively, the "**Vendors**") in respect of the Proposed Acquisition being fulfilled or waived, approval be and is hereby given to the Company to acquire the 2,539,000 ordinary shares in AGSB, representing 9.29% equity interest in AGSB ("**Sale Shares**") for a purchase consideration of RM35,692,893 to be satisfied via RM10,079,482 in cash and the issuance of 7,590,958 Consideration Shares, based on the terms and conditions contained in SSA.

The Purchase Consideration shall be satisfied in the following manner:-

i. RM10,079,482 in cash; and
ii. RM25,613,411 via the issuance and allotment of 7,590,958 Consideration Shares at an issue price of RM3.3742 per Consideration Share.

THAT the execution by the Board of Directors of KGB ("**Board**") and the performance of its obligations under the SSA be and is hereby approved and ratified.

THAT the pre-emptive right of the existing shareholders to be offered with Consideration Shares in proportion to their shareholding in KGB pursuant to Section 85 of the Companies Act 2016 ("**Act**") and Clause 54 of the Constitution of KGB be and is hereby waived in respect of the issuance and allotment of the Consideration Shares to be issued pursuant to the Proposed Acquisition AND THAT the Board be exempted from the obligation to first offer such Consideration Shares to the existing shareholders of the Company in respect of the issuance and allotment of the Consideration Shares pursuant to the Proposed Acquisition, which will consequently result in a dilution of the shareholders' shareholdings in the Company.

THAT approval be and is hereby given to the Board to issue and allot 7,590,958 Consideration Shares at an issue price of RM3.3742 per share credited as fully paid-up upon such terms and conditions as set out in the SSA for the Proposed Acquisition.

THAT such Consideration Shares to be issued pursuant to the Proposed Acquisition shall, upon allotment and issuance, rank equally in all respects with the existing KGB Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotment and/ or other forms of distributions where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the date of allotment and issuance of the Consideration Shares.

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company, all such agreements, arrangements and documents as the Board may deem fit, necessary, expedient and/ or appropriate in order to implement, finalise, give full effect to and complete the Proposed Acquisition (including without limitation, to delegate such authority to designated officer(s)), with full powers to assent to and/ or accept any conditions, variations, modifications and/ or amendments in any manner as may be imposed or permitted by any relevant authorities and/ or parties and/ or as the Board may deem fit in connection with the Proposed Acquisition in the best interest of the Company.

9. CONCLUSION

Before closing the Meeting, the Chairman thanked the shareholders for their attendance and continuous support.

There being no other business, the Meeting was concluded at 11:10 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT

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SOO YUIT WENG
Chairman of the Meeting

Annexure 1

KELINGTON GROUP BERHAD
Registration No. 199901026486 (501386-P)
(Incorporated in Malaysia)

Questions received from the Shareholders/Proxies of Kelington Group Berhad ("KGB") at the Extraordinary General Meeting of KGB held on 23 October 2024

QUESTIONS RECEIVED FROM THE SHAREHOLDERS PRIOR TO THE MEETING

The following questions were raised by Chan Fung Han:-

Q1. The Purchase Consideration represents a P/E multiple of 20 times. KGB's latest P/E multiple is 17 times. Why does the Board consider the P/E multiple of 20 times is reasonable given the market is valuing the whole KGB Group (including AGSB) at a lower P/E multiple?

Mr. Winston Loh, the Principal Adviser replied that:-

A1. The Purchase Consideration was determined between the parties at the time of executing the Share Sale Agreement ("SSA"), when KGB's trading P/E multiple was ranging from 20.54 times to 21.95 times.

Q2. **Although the Previous Acquisition took place prior to the Proposed Acquisition and was not assessed by MainStreet and/or considered by KGB in regards to fairness of purchase consideration, the 4 times to 5 times P/E multiple of the Previous Acquisition is way below the P/E multiple of 20 times for this Proposed Acquisition. Why MainStreet and KGB totally ignore that fact and insist on the DCF valuation model? How could MainStreet and KGB reconcile the gap of PE multiple between these two transactions of Previous Acquisition and Proposed Acquisition?**

Mr. Tan Vee Han, the Independent Adviser replied that:-

A2. As stated in Section 3.2.1 of the Independent Advice Letter, MainStreet Advisers Sdn. Bhd. ("MainStreet") viewed "the DCF valuation model as the most appropriate method to estimate the value of AGSB Group as this method was able to effectively factor in the earnings and cash flows potential of AGSB Group's business as well as the timing of such cash flows to be generated. The DCF valuation model considers both the time value of money and the future cash flows to be generated by AGSB Group's business over a specified period of time."

For your additional information, MainStreet considered the DCF valuation model to be more suitable in this case as:

(i) DCF focuses on the intrinsic value of AGSB Group based on its expected future cash flows, rather than comparing it to other companies. While AGSB Group was expected to incur significant investments in the next 3 years, it was expected to generate steady cash flows over time; and

(ii) relative valuation was influenced by market conditions and sentiment, whereas DCF aims to isolate a company's fundamental value, making it less susceptible to market volatility.

In Section 3.2.1 of the Independent Advice Letter, it was also stated that "the Previous Acquisition took place prior to the Proposed Acquisition and was not assessed by MainStreet in regards to fairness of purchase consideration."

We would also like to draw your attention to the fact that "the P/E multiple accorded to AGSB for the Previous Acquisition of 5.0 times was higher than the P/E multiple accorded to AGMSB of 4.0 times. This would render the Previous Acquisition to be earnings accretive to AGSB."

Q3. Will the issue price of RM3.3742 per Consideration Share be varied to the latest market price and more KGB shares to be issued arising from this Proposed Acquisition?

a) If yes, why does KGB not lock in the issue price when entered into the conditional SSA with the Vendors?

b) If no, as Mr. Chong and Mr. Alan will receive lower purchase consideration in terms of the value of KGB shares, should the cash consideration to be paid to Palace Star also be revised downwards proportionately?

Q4. The rationale and justifications for the proposed acquisition is for KGB to obtain full control of AGSB. As AGSB is currently 90.71%-owned subsidiary which is controlled by KGB, isn't that KGB can still plan and implement long term strategies, expansion plan, utilising the AGSB's business network, expertise and know-how regardless whether acquiring the remaining 9.29% equity interest or not? Does full control (100% equity interest) make any difference compared to the existing 90.71% equity interest held by KGB, operationally and strategically?

Mr. Winston Loh, the Principal Adviser replied that:-

A3. As stated in Section 2.3, Part A of the Circular, the Issue Price of RM3.3742 per Consideration Share was determined on a willing-buyer willing-seller basis, based on reference to the 5-day VWAP of RM3.3742 up to and including the LTD, which was the last trading date prior to the date of the SSA. Accordingly, there was no variation to the fixed Issue Price.

a) The answer to the above was no. As set out in the Circular, the Issue Price was fixed (without premium or discount) at the 5-day VWAP at the time of SSA execution.

b) He clarified that Mr. Chong and Mr. Alan would receive the purchase consideration in value based on the fixed terms prescribed in the SSA, regardless of share price movements in the KGB Shares.

Accordingly, there was no upward or downward revision to the purchase consideration in value (whether cash payment or share issuance) to be received by all the Vendors, regardless of share price movements in the KGB Shares.

A4. The Proposed Acquisition would allow KGB to obtain full control of AGSB, which would provide greater flexibility in planning and implementing long-term strategies to enhance its growth potential. More importantly, the obtainment of full control over AGSB enabled KGB to pursue long-term growth opportunities that might require additional funding, not just from KGB but also from the other shareholders of AGSB (i.e., the Vendors). While KGB, as a listed company, had better access to funding via borrowings and the equity capital markets, but that such access might be limited to the Vendors.

With this in mind, some of the growth opportunities available to AGSB Group might have been impeded if additional funding was required and was to be extended only by KGB, while other shareholders, for whatever reason, do not provide additional funding in proportion to their equity interest in AGSB.

Q5. Page 42 to the Circular - MainStreet commented that the growth opportunities of AGSB may require additional funding that the Vendors may not have sufficient access to the funding and may not be able to provide additional funding in proportion to their equity interest in AGSB.

Is such a comment validated by MainStreet and confirmed by the Vendors, or merely the presumption by MainStreet? If the Vendors are unable to fork out the additional funding in proportion to their equity interest in AGSB, why not AGSB undertake Rights Issue for KGB to subscribe new shares, instead of KGB proposing this acquisition? It seems like allowing the Vendors to cash out their profits from investments that were just made less than 2 years ago. Please justify.

Mr. Tan Vee Han, the Independent Adviser replied that:-

A5. As stated in Section 2 of the Independent Advice Letter, MainStreet in performing its evaluation, has relied on, among others, the following sources of information:

(i) information contained in Part A of the Circular and the accompanying appendices;

(ii) other relevant information, documents, confirmations and representations furnished to us by the board of directors, management and/or representatives of KGB and AGSB; and

(iii) other relevant publicly available information.

In arriving at MainStreet's commentary on the rationale and justifications for the Proposed Acquisition, discussions would have been made between MainStreet together with the management of KGB and AGSB.

Further, as stated in Section 2 of the Independent Advice Letter, "MainStreet was not involved in any formulation of or any deliberations and negotiations on the terms and conditions pertaining to the Proposed Acquisition." MainStreet's scope as the Independent Adviser was limited to expressing an independent opinion on the fairness and reasonableness of the Proposed Acquisition. This being the case, MainStreet was unable to comment on alternative funding methods for the business of AGSB.

Q6. How much is the worth of new contracts secured by AGSB Group up-to-date? What is the latest total outstanding order book of AGSB Group? How much net profit that AGSB Group generated in the current financial period, and its contribution to the consolidated results of KGB Group?

Mr. Winston Loh, the Principal Adviser replied that:-

A6. With regards to the Order Book, due to the nature of its business, AGSB did not maintain an order book as sales were primarily made based on purchase orders (POs) from its customers on an ongoing basis.
Regarding contracts and the extension to more POs secured, as set out in Section 3, Part A of the Circular, AGSB Group increasingly expanded its industrial gas manufacturing business and built its customer base, comprising numerous MNC companies both domestically and overseas. This was evident in the following recent achievements:

- Secured a new project in 2022 from a locally-based MNC customer in the electronics industry, which entails the supply, delivery, installation, inspection, and testing of a low purity oxygen generation and distribution line system package for a manufacturing facility in Penang, Malaysia.

- Obtained recognition as an approved supplier of liquid CO2 for major beverage producers in 2022, allowing AGSB to supply liquid CO2 to these companies for their beverage manufacturing activities.

- Entered into an agreement with an optoelectronics semiconductor company in 2022 to manufacture and supply nitrogen, oxygen, and hydrogen for a period of 10 years at a plant in Kedah; and

- Achieved capacity expansion through Kerteh Plant 2, which began operations in March 2024. This expansion marked a significant milestone, adding an additional capacity of about 70,000 tonnes annually, bringing the total production capacity to 120,000 tonnes annually from the entire Kerteh Plant.

Based on unaudited management accounts for the latest interim 6-month financial period up to 30 June 2024, AGSB recorded revenue of RM81 million and a Profit After Tax (“PAT”) of RM14 million.

While these figures may not be very meaningful when assessed on their own, we wish to highlight several key takeaways by comparing them to historical financials:

(i) Revenue Growth – With an annualised revenue of RM162 million, AGSB was projected to record a 34% increase in revenue.

(ii) PAT Growth – With an annualised PAT of RM28 million, AGSB was projected to record a 47% increase in PAT.

(iii) Increased contribution in revenue & PAT to KGB Group:

a. Revenue contribution rose to 12% compared to the historical average of 7%.
b. Profit contribution rose to 26% compared to the historical average of 21%.

(iv) Forward P/E – Based on the implied value of AGSB at RM384 million and dividing by the annualised PAT of RM28 million, the implied forward P/E was about 14 times (compared to a trailing P/E of 20 times).

Q7. Page 44 to the Circular - one of the key bases and assumptions adopted in the preparation of the Future Financials is the estimated amount of RM290 million of expansionary plans by AGSB Group up to FYE 31 December 2027.

How much additional capacity and how much additional profit to the future financial information of AGSB Group arising from the expansionary plan? Please disclose the relevant details of the expansionary plan to the shareholders in order for us to consider the reasonableness and fairness of the Purchase Consideration.

Mr. Winston Loh, the Principal Adviser replied that:-

A7. As part of its strategic growth initiatives, AGSB was in the midst of planning to undertake two major capital expenditure projects within the next 2 to 3 years, with one based in Malaysia and the other based in overseas. However, at that juncture, AGSB was unable to disclose any specific details or numbers about these plans as they were strictly confidential and sensitive in nature. It was also AGSB's priority to protect its competitive advantage within the industrial gas market.

Nevertheless, the management hopes to keep shareholder informed in event of any material development arising thereof.

Q8. AGSB has yet to commence any supply of the gases from the Kulim Plant because of yet to commence operations caused by the industry supply chain issue experienced by customer. Furthermore, AGSB is unable to ascertain the expected timeframe to commence the supply of gases as it is still pending the customer's instruction and resolution on its supply chain matter.

As the delay is caused by the customer, can AGSB demand compensation for the loss of revenue? How much capacity loss and revenue loss by AGSB for the delay in commencing operations of the Kulim Plant? How much PPE cost and net book value recorded in the AGSB's accounts are related to this Kulim Plant? Has the PPE of this Kulim Plant commenced depreciation? Any impairment concern on the PPE of this Kulim Plant?

Mr. Winston Loh, the Principal Adviser replied that:-

A8. In the contract agreement with its customer, the Kulim contractual fee terms provided for AGSB to charge monthly fixed facility fees to the customer in the event of a delay from the customer's end. As set out in Appendix I of the Circular, AGSB commenced recognising and receiving the fixed facility fees from the customer on a monthly basis starting in June 2023. This provided a form of financial recourse to AGSB, as the total fixed facility fee sum allowed AGSB to recoup investment cost in the Kulim Plant.

While on Asset Costing, the Net Book Value of the capital work-in-progress for the Kulim Plant was approximately RM48 million as of 31 December 2023. At that juncture, these costs had not commenced depreciation, and there were no indications of any impairment at the time, given that the plant was still a work-in-progress. Notwithstanding this, the management actively monitored the situation and carried out assessments, together in consultation with its auditors, to ensure proper treatment of the asset whenever necessary.

QUESTIONS RECEIVED FROM THE SHAREHOLDERS DURING THE MEETING

Ms Nur Amirah Binti Amirudin raised the following questions:

Q9. ***Over the past three years, AGSB Group has significantly expanded its industrial gas business and customer base, including:***

- ***Securing a project in 2022 with a local electronics MNC for a low purity oxygen system in Penang.***
- ***Becoming an approved liquid CO2 supplier for major beverage producers in 2022.***
- ***Entering a 10-year agreement in 2022 with an optoelectronics semiconductor company to supply nitrogen, oxygen, and hydrogen from its Kulim plant.***
- ***Starting operations at its second liquid CO2 plant in Kerteh in March 2024, increasing total annual production capacity to 120,000 tonnes.***

(Source: Page 17 of the EGM Circular).

(a) ***What is the ongoing unbilled orderbook for AGSB? Additionally, what is the total value of all existing contracts currently on hand, and what are the durations of these contracts?***

(b) ***Are there any significant terms or conditions in these contracts that could impact their value (e.g., renewal options, price escalation clauses)?***

(c) ***Are there any new contracts AGSB Group has secured since the beginning of 2024? What is the nature of these contracts, their duration, and the expected impact on the company's financial performance?***

Q10. ***In 2022, AGSB agreed to supply gases to a semiconductor company in Kulim, Kedah, for 10 years. Due to the customer's supply chain issues, gas supply has not started, but AGSB has been receiving fixed facility fees since June 2023. The start date for gas supply remains uncertain (Source: Page 71 of the EGM Circular).***

(a) ***What is causing supply chain issues experienced by the customer? To date, has the customer's supply chain issue been resolved? How much is the total annual revenue expected from the 10-year contract, once the supply of gasses started?***

(b) ***Are the fixed fees sufficient to cover ongoing operational costs such as maintenance, utilities, and staffing? What are other the ongoing operational costs AGSB needs to cover to maintain the plant in a ready state?***

Q11. ***Why is Mr Soh Tong Hwa unable to attend this EGM?***

Q12. ***And how many shareholders attend this EGM?***

Mr. Winston Loh, the Principal Adviser replied that:-

A9. (a) Due to the nature of its business, AGSB did not maintain an order book as sales were primarily made based on purchase orders (POs) from its customers on an ongoing basis.

(b) Referring to the above, most of the revenue model was based on and derived from POs. Contacts were related to the ordinary course of normal PO day-to-day operations.

(c) In 2024, most of the revenue secured through POs. As mentioned, due to the Kerteh Plant expansion and recognition as an approved supplier of liquid CO2 for major beverage producers, thus, AGSB had expanded its market to sell liquid CO2. This demonstrated that the revenue derived from the POs.

A10. (a) The semiconductor industry faced supply chain issues last year. The Company is still awaiting resolution and settlement with the customer and needs to engage with them to determine the outcome. Total annual revenue refers to the monthly fixed facility fees.

(b) The monthly fixed facility fees were sufficient to recoup the investment cost in the Kulim plant.

A11. Mr. Soh Tong Hwa was unable to attend the EGM due to the private matter.

A12. The total number of shareholders/proxies who had participated in the EGM was 52.

Mr Chiew Tiam Koon raised the following question:

Q13. What's the outlook for UHP and industrial gases for year 2025. Is it growing year on year?

Secondly please comment effect of strengthen Malaysian ringgit on group's earning.

Mr. Winston Loh, the Principal Adviser replied that:-

A13. The outlook for AGSB relating to the Proposed Acquisition depends on end customers and manufacturers. In 2024, based on annualised revenue and bottom-line profit, the Company would expect to have a 30% increase. He stressed that the growth was evident based on annualised revenue.

Mr. Jong Yu Huat, the Chief Financial Officer further clarified that:

Management has forecasted a favourable financial performance for the UHP segment in 2025, supported by a substantial order book totalling RM2.6 billion for the Company. Furthermore, the recent appreciation of the Malaysian ringgit has a beneficial impact on KGB's earnings within Malaysia, as certain goods are imported from overseas. Although there may have translation losses when converting profits from subsidiaries, these losses were considered to be minimal overall.

Mr Lau Chuan Hooi raised the following question:

Q14. Any door gift?

Mr. Ong Weng Leong, the Chief Operating Officer replied that:-

A14. The Company has implemented a no door gift policy, meaning that there would be no gifts for attendees of the EGM. However, the Company aims to reward shareholders through strong returns in share price and attractive dividend payments.

Mr Kow Lih Shi raised the following questions:

Q15. ***Does company 2025. Have hybrid meeting not only for physical? That able for more participants?***

Q16. ***What is the main point of the EGM corporate action? Will it continue to generate more revenue as a result?***

Mr. Jong Yu Huat, the Chief Financial Officer replied that:-

A15. The Company was considering the meeting mode for the year 2025 and would likely adopt a hybrid meeting approach.

Mr. Ong Weng Leong, the Chief Operating Officer replied that:-

A16. The Management opined that the Company did not hold many EGMs. The agenda presented in the EGM was very important to the Company, as it seeks to consolidate the industrial gas business under KGB's full control. They believe that this corporate move would not only benefit the shareholders but was also vital for propelling KGB to the next level of success.