

ERDASAN GROUP BERHAD (“EGB” OR THE “COMPANY”)
Registration No. 200401006297 (644800-X)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-FIRST (“21st”) ANNUAL GENERAL MEETING (“AGM” OR THE “MEETING”) OF THE COMPANY HELD AT FUNCTION ROOM, PEARL VIEW HOTEL, JALAN BARU, TAMAN CHAI LENG, 13700 PERAI, PULAU PINANG ON FRIDAY, 27 MARCH 2026 AT 10:30 A.M.

Upon the company secretary’s confirmation of a quorum being present the meeting commenced. The Chairman informed all present that in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on all the resolutions set out in the notice of the Annual General Meeting will be carried out by way of poll. He further informed that Prosec Share Registration Sdn. Bhd. as the Poll Administrator to conduct the polling process and Symphony Corporate Services Sdn. Bhd. as the Independent Scrutineer (“Scrutineer”) to verify the poll results.

The Chairman informed all present that the Company has received a letter dated 18 March 2026 from Minority Shareholders Watch Group (“MSWG”) wherein MSWG sought clarification on certain matters and the Company has replied to MSWG accordingly. The said questions raised by MSWG and the Company’s response as set out below were also displayed on screen for ease of reading by the shareholders.

Operational & Financial Matters

Q1. Management highlighted opportunities arising from semiconductor supply chain diversification into Malaysia.

(a) How many new customers have been secured from this trend, and what proportion of future revenue is expected to come from this segment?

Few new customers have started engage us for quotations and sample submission. Revenue growth is expected to come primarily from current customers, with an estimated increase of 10%, in addition to potential contributions from these new customers.

(b) What investments are being made to upgrade machining capabilities so that the Group can move higher up the semiconductor manufacturing value chain?

A budget proposal for the setup of a clean room and machining automation has been submitted to enhance service capabilities and better service to customers. The proposed budget is still under review and has not been finalised or approved at this stage. The final budget will remain subject to ongoing discussions and may be adjusted accordingly.

Q2. Page 9 states that demand for Flat Rods is improving as the Group has become the sole supplier following Rieter’s exit from European production.

Please quantify the expected annual revenue contribution from Flat Rods and clarify whether this sole-supplier position is supported by contractual exclusivity or merely reflects the absence of competing manufacturers at present.

The expected annual revenue from Flat Rod is about RM3.6 million. For the time being, we are the sole supplier to support Flat Rod to Rieter.

Q3. Please disclose the current machine utilisation rate across its manufacturing facilities and the utilisation level required to achieve sustainable operating profitability?

Current machine utilisation is at 85% and the utilisation to achieve sustainability is 80%.

Q4. As at 30 September 2025, the Group’s investment properties stood at RM67.4 million. It generated RM1.03 million during the last financial period.

Given the Company’s core business is Fabrication and Automation, does the Company intend to retain these as investment assets or monetise them? Please elaborate on the rationale underpinning this decision.

The Group’s core focus remains on its Fabrication and Automation segments, which enhance operational capabilities and provide sustainable recurring revenue. With growing demand for precision manufacturing and automation solutions, the Company believes these segments offer long-term growth potential and a competitive advantage. Retaining these assets therefore aligns with our strategy to strengthen market positioning and enhance shareholder value.

Corporate Governance Matters

Q5. Under Note 35 (Prior Years’ Adjustments and Reclassification) that transactions amounting to approximately RM46.4 million, previously recognised as property, plant and equipment, were derecognised following an internal review, resulting in a net adjustment of about RM35.9 million to accumulated losses.

(a) Given that the amount involved is substantial relative to the Group’s scale, could the Board elaborate on the nature of these transactions and how they were originally approved and recorded in the financial statements?

These transactions were related to the capital expenditure incurred in relation to the setting up of glove-manufacturing plant & facilities in prior financial periods (during the years 2020 and 2021). Initially, these expenditures were capitalised as property, plant and equipment (“PPE”), supported by the signed contracts between a former executive director with service providers.

Following the internal review conducted during the current financial period, the Group determined that certain amounts paid to certain service providers are without proper basis and without corresponding works performed to the Group and these payments were carried out under the instruction of a former executive director. In respect of this, the Group has initiated legal suit as disclosed in Note 32 of the financial statements.

(b) What internal control weaknesses or governance failures allowed transactions of such magnitude to occur without earlier detection?

The internal control and governance weaknesses include:

- i. Over-reliance on the designated executive director in charge of the project.
- ii. Absence of a formal tender process to select qualified and reliable service providers.
- iii. Lack of regular Investment Committee reporting.

(c) What specific improvements have been implemented in the Group’s internal control framework and board oversight processes to prevent similar incidents from occurring in the future?

At this stage, the Group has kept all major capital expenditure on hold and in the process of legal action to recover approximately RM46 million from a former director. The Group is considering regular reporting by the Investment Committee as suggested in 5 (b) above and expanding internal audit coverage on targeted areas related to capital expenditures to strengthen oversight and mitigate the risk of similar incidents in the future.

The Board will continue to monitor and, where necessary, implement further enhancements to ensure the adequacy and effectiveness of the Group’s internal control environment.

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**SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-FIRST GENERAL MEETING ON
27 MARCH 2026**

The Chairman tabled all the items on the agenda as set out in the notice of the 21st AGM.

The meeting proceeded to voting by poll on all the resolutions on the agenda and all the resolutions were duly passed by the shareholders.

There being no further matters to discuss, the Meeting concluded at 11:26 a.m. with a vote of thanks to the Chair.

Poll results of the 21st AGM is attached for reference.

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Poll results of the 21st AGM

Resolutions	Vote For			Vote Against			Results
	No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees of up to RM80,000.00 for the period from 1 April 2025 to 30 September 2025 to the Directors of the Company and its subsidiaries.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted
<u>Ordinary Resolution 2</u> To approve the payment of Directors' fees of up to RM300,000.00 for the financial period ending 30 September 2026 to the Directors of the Company and its subsidiaries.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted
<u>Ordinary Resolution 3</u> To approve the payment of benefits other than Directors' fees of up to RM28,000.00 to the Non-Executive Directors of the Company from 28 March 2026 until the next Annual General Meeting of the Company.	12	42,008,279	99.4437	2	234,999	0.5563	Accepted
<u>Ordinary Resolution 4</u> To re-elect Mr. Tan Lay Chee retiring under Clause 131 of the Company's Constitution and who, being eligible offers himself for re-election.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted
<u>Ordinary Resolution 5</u> To re-elect Dr. Ch'ng Huck Khoon retiring under Clause 131 of the Company's Constitution and who, being eligible offers himself for re-election.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted

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Poll results of the 21st AGM (Continued...)

Resolutions	Vote For			Vote Against			Results
	No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
<u>Ordinary Resolution 6</u> To re-elect Datuk Chong Loong Men retiring under Clause 136 of the Company's Constitution and who, being eligible offers himself for re-election.	12	42,009,942	99.4476	2	233,336	0.5524	Accepted
<u>Ordinary Resolution 7</u> To re-elect Mr. Chou Sing Hoan retiring under Clause 136 of the Company's Constitution and who, being eligible offers himself for re-election.	12	42,009,942	99.4476	2	233,336	0.5524	Accepted
<u>Ordinary Resolution 8</u> To re-elect Mr. Ling Chi Hoong retiring under Clause 136 of the Company's Constitution and who, being eligible offers himself for re-election.	12	42,009,942	99.4476	2	233,336	0.5524	Accepted
<u>Ordinary Resolution 9</u> To re-elect Ms. Lee Lisa retiring under Clause 136 of the Company's Constitution and who, being eligible offers herself for re-election.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted
<u>Ordinary Resolution 10</u> To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.	13	42,009,945	99.4476	1	233,333	0.5524	Accepted
<u>Ordinary Resolution 11</u> To empower the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.	12	42,009,942	99.4476	2	233,336	0.5524	Accepted