ADVENTA BERHAD
Registration No. 200301016113 (618533-M)
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT 21, JALAN TANDANG 51/205A, SEKSYEN 51, 46050 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 23 JUNE 2026 AT 3:00 P.M.

DIRECTORS PRESENT	:	Mr. Edmond Cheah Swee Leng *(Chairman)*
	:	Mr. Low Chin Guan *(Executive Director)*
	:	Ms. Kwek Siew Leng *(Executive Director)*
	:	Mr. Toh Seng Thong *(Non-Independent Non-Executive Director)*
	:	Dato' Selwyn Vijayarajan Das *(Independent Non-Executive Director)*
	:	Encik Muhamad Yazdi Bin Che Ya *(Independent Non-Executive Director)*
MEMBERS PRESENT	:	As per Attendance List
PROXYHOLDERS PRESENT	:	As per Attendance List
CORPORATE REPRESENTATIVES PRESENT	:	As per Attendance List
BY INVITATION	:	As per Attendance List
IN ATTENDANCE	:	Ms. Chua Siew Chuan *(Company Secretary)*

CHAIRMAN

Mr. Edmond Cheah Swee Leng ("**the Chairman**") chaired the Meeting and welcomed all present to the Twenty-Third Annual General Meeting ("**23rd AGM**" or "**the Meeting**") of the Company.

The Chairman then called the Meeting to order at 3:00 p.m. and introduced the Directors, Company Secretary and External Auditors, to all present.

QUORUM

The requisite quorum being present pursuant to Clause 92 of the Company's Constitution, the Chairman declared the Meeting duly convened.

PROXIES

The Chairman informed the Meeting that only members whose names appeared in the Record of Depositors on 16 June 2026 were eligible to attend the Meeting.

POLLING

The Meeting was informed that Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") has mandated poll voting for all resolutions set out in the notice of general meetings.

In compliance with the Bursa Malaysia Securities Main Market Listing Requirements ("**MMLR**") and pursuant to Clause 98 of the Company's Constitution, the Chairman then exercised his right as the Chairman of Meeting to demand that a poll be conducted for the resolutions which were put forth for voting at the Meeting.

The Chairman informed that the Company would first take the Meeting through all the items on the agenda, followed by Question and Answer session and the voting process for all resolutions set out in the Notice of the Meeting.

The Meeting was further informed that the Share Registrar, Securities Services (Holdings) Sdn. Bhd. was appointed to act as the Poll Administrator and Commercial Quest Sdn. Bhd. was appointed to act as the Independent Scrutineer to verify the results of the poll voting.

NOTICE OF MEETING

The Notice convening the Meeting, having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

PRESENTATION TO SHAREHOLDERS ON QUERIES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

At this juncture, the Chairman invited Ms. Chua Siew Chuan, the Company Secretary, to present the Company's responses to the queries raised by the MSWG, details of which is as stipulated under Annexure A attached to this Minutes.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FYE 2025") TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON ("AFS")

The Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for FYE 2025 together with the Reports of the Directors and the Auditors thereon.

The Chairman **DECLARED**:

"That the Audited Financial Statements of the Company for the FYE 2025 together with the Reports of the Directors and the Auditors thereon, be received."

2.0 APPROVAL OF THE PAYMENT OF DIRECTORS' FEES AND BENEFITS AMOUNTING TO RM336,000/- FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2026

The Chairman informed that the next item on the Agenda was to approve the payment of Directors' fees and benefits amounting to RM336,000/- for the financial year ending 31 December 2026.

3.0 RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRE PURSUANT TO CLAUSE 114 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION:-
(A) MR. EDMOND CHEAH SWEE LENG; AND
(B) MR. LOW CHIN GUAN

The Chairman informed that the next item on Agenda was in respect of his re-election as a Director of the Company in accordance with Clause 114 of the Company's Constitution and hence, invited Ms. Kwek Siew Leng ("**Ms. Kwek**"), the Executive Director, to chair the proceedings for the segment of this Agenda.

Ms. Kwek took over the chairmanship and informed the Meeting that Mr. Edmond Cheah Swee Leng and Mr. Low Chin Guan, the retiring Directors and being eligible for re-election, had offered themselves for re-election.

The Meeting was informed that the re-election of each Director would be voted on individually.

Ms. Kwek then handed over the chairmanship back to the Chairman, and the Chairman thanked Ms. Kwek for chairing this segment of the Agenda.

4.0 RE-APPOINTMENT OF PKF PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that the next item on the Agenda was to re-appoint PKF PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

The Meeting was informed that PKF PLT have indicated their willingness to continue in office as Auditors of the Company.

5.0 SPECIAL BUSINESS

(a) ORDINARY RESOLUTION 1
- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS

The Chairman informed the Meeting that the next item on the Agenda was a special business for the approval of the Ordinary Resolution in respect of the authority to issue and allot shares pursuant to the Companies Act 2016.

The Chairman explained that the proposed adoption of the Ordinary Resolution would provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenses, investment project(s), and/or acquisition(s).

The Chairman further informed the Meeting that approval was also sought to waive the statutory pre-emptive rights of the shareholders of the Company for the offering of new shares, which would rank equally with the existing issued shares arising from any new share issuance.

(b) ORDINARY RESOLUTION 2
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTS") ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

The Chairman informed that the next item on the Agenda was a special business for the approval of the Ordinary Resolution in relation to the proposed renewal of the existing shareholders' mandate for RRPTs granted by the shareholders of the Company at the Twenty-Second Annual General Meeting held on 23 June 2025.

The Proposed Renewal of Existing Shareholders' Mandates would enable the Company and/or its subsidiaries ("**the Group**") to enter into the RRPTs, in the ordinary course of business and on normal commercial terms.

The Meeting noted that the interested Director, Mr. Low Chin Guan has abstained and will continue to abstain from all deliberations and voting in respect of his direct and/or indirect interests in the Company on the Proposed Renewal of Existing Shareholders' Mandate.

The Meeting further noted that all the interested parties have undertaken to ensure that persons connected to them will abstain from voting on the Proposed Renewal of Existing Shareholders' Mandate at this Meeting.

6.0 ANY OTHER BUSINESS

The Meeting noted that no notice had been received to transact any other ordinary business.

QUESTION AND ANSWER SESSION

Upon answering the queries raised by the shareholders and proxies as stipulated under Annexure A attached to this Minutes, the Meeting proceeded with the poll voting.

POLLING PROCESS

Registration for attendance at the Meeting was closed at 3:56 p.m. to facilitate the conduct of a poll. The Meeting was briefed on the procedures governing the conduct of the poll.
The Meeting was adjourned at 3:59 p.m. for shareholders, proxies and corporate representatives to cast their votes by poll.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 4:15 p.m. to announce the results of the poll which were duly verified by the Independent Scrutineer, Commercial Quest Sdn. Bhd.

The Company Secretary announced the results of the poll voting were as follows:-

Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
Resolution 1 To approve the payment of Directors' fees and benefits amounting to RM336,000/- for the financial year ending 31 December 2026	11,362,580	99.7624	27,064	0.2376	Carried
Resolution 2 To re-elect Mr. Edmond Cheah Swee Leng, the Director who retires pursuant to Clause 114 of the Company's Constitution, and being eligible, have offered himself for re-election	145,724,423	99.9931	10,100	0.0069	Carried

Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
Resolution 3 To re-elect Mr. Low Chin Guan, the Director who retires pursuant to Clause 114 of the Company's Constitution, and being eligible, have offered himself for re-election	145,730,223	99.9970	4,300	0.0030	Carried
Resolution 4 To re-appoint PKF PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration	145,730,223	99.9970	4,300	0.0030	Carried
Resolution 5 Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights	145,723,270	99.9923	11,253	0.0077	Carried
Resolution 6 Proposed renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	1,527,574	99.4175	8,950	0.5825	Carried

Based on the results of the poll voting, the Chairman declared the following resolutions as **CARRIED**:-

RESOLUTION 1

"That the payment of Directors' fees and benefits amounting to RM336,000/- for the financial year ending 31 December 2026 be and is hereby approved."

RESOLUTION 2

"That Mr. Edmond Cheah Swee Leng, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company."

RESOLUTION 3

"That Mr. Low Chin Guan, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company."

RESOLUTION 4

"That PKF PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to fix their remuneration."

RESOLUTION 5
ORDINARY RESOLUTION 1
- **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

"That subject always to the Companies Act 2016, the Constitution of the Company, the approvals of Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors of the Company 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 of the Company for the time being;

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

That pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

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

RESOLUTION 6
ORDINARY RESOLUTION 2
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

*"That subject to the Companies Act 2016, the Constitution of the Company and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the existing recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**") as set out in the Company's Circular to Shareholders dated 30 April 2026 ("**Circular**") with the related parties mentioned therein subject further to the following:-*

(i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on normal commercial terms not more favourable than those generally available to the public and not detrimental to the minority shareholders of the Company; and

(ii) disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

And that the authority conferred by such mandate upon the passing of this ordinary resolution shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next Annual General Meeting of the Company after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

whichever is the earlier,

And that the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

CONCLUSION

The Meeting concluded at 4:18 p.m. with a vote of thanks to the chair.

SIGNED AS A CORRECT RECORD

-Signed-

CHAIRMAN
EDMOND CHEAH SWEE LENG

Dated: 23 June 2026

Annexure A

ADVENTA BERHAD
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SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT 21, JALAN TANDANG 51/205A, SEKSYEN 51, 46050 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 23 JUNE 2026 AT 3:00 P.M.

Minority Shareholders Watch Group's ("MSWG") questions and answer

Operational and Financial matters

1. The Group recorded a gross profit of RM7.94 million with a gross margin of 14.87% in FY2025, compared to RM9.39 million and 16.11% respectively in the previous year. The decline in gross margin was mainly due to initial ramp-up losses from the Group's newly established manufacturing operations in Indonesia. These start-up costs were anticipated as part of the Group's strategic expansion of its manufacturing capabilities. (Source: Page 4 of AR2025).

   a) Please disclose the total ramp-up losses and start-up costs incurred by the Indonesian operations in FY 2025, and whether continued losses are expected.

   The Group does not separately disclose specific ramp-up losses and start-up costs attributable to the Indonesian operations. These costs were incurred as part of the initial commercialisation and scale-up phase of the manufacturing facility.

   The higher costs in FY2025 were mainly due to lower production volumes, as the operations have yet to achieve the economies of scale required for optimal efficiency. Losses are expected as the plant is still under expansion and scaling up. This is consistent with the Group's strategic investment in expanding its manufacturing capabilities.

   b) Could the Board of Directors ("**Board**") clarify which operational factors contributed most significantly to the decline in gross margin from 16.11% to 14.87%, including capacity utilisation, logistics, and depreciation costs?

   The decline in gross margin from 16.11% to 14.87% was mainly attributable to the ramp-up phase of the Indonesian manufacturing operations, as disclosed in the Annual Report.

   This resulted in lower production efficiency and higher unit costs due to lower capacity utilisation during the initial stage of operations, as well as under-absorption of fixed overheads as production volumes were still building up.

   c) What is the breakeven production level for the Indonesian facility, and what is the difference between current utilisation and breakeven requirements?

   The Indonesian manufacturing facility is still in its ramp-up phase, and production is being progressively increased as part of the Group's manufacturing expansion strategy.

The Group does not disclose breakeven levels or utilisation thresholds as these are commercially sensitive. Management remains focused on improving utilisation and operational efficiency as the facility matures.

2. The Group recorded no significant customer concentration in FY2025 (RMNil or Nil%), whereas in FY2024 one customer contributed RM14.29 million, representing 25% of revenue. (Source: Page 126 of AR2025).

a) Was the decline of the Group's largest customer from RM14.29 million (25% of FY2024 revenue) to NIL in FY2025 due to termination, non-renewal, pricing pressure, or other factors?

The reduction in revenue contribution from a major customer in FY2025 was due to significantly lower order volumes compared to FY2024. The customer continued to place orders during FY2025, albeit at a reduced level.

As a result, the Group's customer base was more diversified in FY2025 compared to FY2024, with revenue contributions distributed across a broader range of customers. The Group continues to actively develop new business opportunities to support revenue sustainability and diversification.

b) Could the Board clarify whether the RM14.29 million revenue loss in FY2024 has been fully replaced in FY2025, and whether the replacement revenue maintains comparable margin quality and strategic contribution?

The revenue previously contributed by a major customer in FY2024 was offset by sales to other customers across the Group's existing markets in FY2025.

While overall revenue was lower in FY2025 compared to FY2024, the Group continued to strengthen its customer base and improve diversification across its markets. Margin performance continues to be influenced by product mix, operating conditions, and the ramp-up phase of certain operations during the year.

c) What was the contribution of this customer to gross margin and EBITDA, and how has its loss affected the Group's overall profitability composition?

The customer contributed positively to gross profit in FY2024 in line with its revenue contribution. In FY2025, its contribution declined in line with lower sales volume.

The Group's overall EBITDA performance in FY2025 was primarily driven by the Group's overall revenue mix, operating costs, and the ramp-up phase of certain operations, rather than the change in contribution from any single customer.

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(Summary of key matters discussed at the Twenty-Third Annual General Meeting held on 23 June 2026 - cont'd)

3. The Company's subsidiary is involved in litigation with Wellesta Truelife Sdn. Bhd. arising from a 2017 Warehousing and Distribution Agreement. On 31 October 2025, the Sessions Court ruled in favour of the counterparty, awarding damages, interest, and costs, and dismissing the subsidiary's counterclaim. The Group has filed an appeal to the High Court, which remains pending, with a decision expected on 20 May 2026, and is of the view, based on legal advice, that there are reasonable grounds for the appeal. (Source: Page 142 of AR2025).

   a) On what grounds was the Group's counterclaim of RM232,949 dismissed, and what does this indicate about the strength of the Group's legal position?

      The High Court has dismissed the Group's appeal and affirmed the decision of the Sessions Court in favour of the counterparty, including the dismissal of the Group's counterclaim.

      The Group is not in a position to comment further on the court's findings.

   b) What would be the Group's total estimated liability arising from the court judgment, including damages, interest, and costs, and does this estimate also include any further legal fees incurred during the appeal process?

      The Group's financial exposure remains as disclosed in the Annual Report.

      FY2025 Note 31, comprising damages of RM217,861, interest at 5% per annum from 17 January 2023 until full settlement, and costs of RM10,000 as ordered by the Sessions Court.

      The liabilities arose from the court judgement has already been taken up in the FY2025 financial statements.

   c) What is the current status of the High Court appeal? In addition, if the appeal is unsuccessful, how will the Group fund the settlement, and what impact is expected on its liquidity position and debt covenants?

      Following the High Court's decision, the Group is currently considering its next course of action in respect of the matter.

      The Group will fund the settlement from it's working capital and the outcome is not expected to have any material impact on the Group's business, operations, or financial position.

      The Group will manage the judgment in accordance with its financial resources and applicable reporting requirements.

Sustainability matters

1. The increase in waste in FYE 2025 is attributable to the commencement of commercial operations at the Group's manufacturing facility in Indonesia, which marked its first full year of production. As a result, non-hazardous waste rose from 6.34 MT to 35.26 MT. (Source: Page 13 of AR2025).

    a) What factors have contributed to the increase in non-hazardous waste from 6.34 MT to 35.26 MT at the Indonesia facility, and what is management's outlook on whether this level will normalise after ramp-up or persist in the longer term?

    The increase in non-hazardous waste from 6.34 MT to 35.26 MT was mainly due to FY2025 being the first full year of commercial operations at the Group's manufacturing facility in Indonesia, during which production ramp-up activities took place.

    As operations continue to stabilise, management expects waste generation efficiency to improve progressively. While total waste volume may increase in line with higher production output, waste intensity per unit of production is expected to decline over time through ongoing operational improvements.

    b) What are the total cost implications of the higher waste levels in FY2025, and has this increase materially impacted the cost efficiency and gross margins of the Indonesia facility?

    The higher waste levels in FY2025 were mainly associated with production ramp-up activities during the first full year of commercial operations at the Group's manufacturing facility in Indonesia.

    While these activities resulted in higher waste generation, the associated disposal costs were relatively small compared to the facility's overall operating and production costs. As such, the increase in waste levels did not have a material impact on the cost efficiency or gross margins of the Indonesia facility during FY2025.

2. During the financial year, the Group recorded a staff turnover rate of 25.75%. In response, the Group continues to monitor employee retention and implement initiatives aimed at strengthening employee engagement and enhancing talent development across the organisation. (Source: Page 15 of AR2025).

    a) What are the contributing factors to the 25.75% staff turnover in FY2025? How does this compare with FY2024? Does this reflect a structural issue in workforce stability within the Group?

    The turnover was mainly attributable to normal employee attrition and a competitive labour market, as well as workforce adjustments associated with the Group's business growth and operational requirements.

    While the turnover rate is higher than desired, the Board does not consider this to indicate a structural workforce stability issue. The Group continues to maintain operational continuity and focuses on continuous improvement in employee retention as a key priority.

b) Which retention actions were introduced in FY2025, and why was there no material improvement in retention outcomes?

During FY2025, the Group implemented various initiatives to strengthen employee engagement, talent development, and workforce capabilities to support its long-term growth strategy.

As these initiatives were rolled out progressively during the year, the full impact on retention outcomes has not yet fully materialised. Management expects improvements to be gradual as these measures are further embedded across the organisation.

c) Please state the expected turnover target for FY2026, what steps are in place to achieve it, and whether the Board would acknowledge that the strategy has failed if turnover remains above 20%.

The Group does not set a specific turnover target. Instead, management focuses on continuously improving employee retention as part of its broader talent management strategy.

Ongoing initiatives include strengthening employee engagement, enhancing training and development, and improving workforce support mechanisms to support retention and organisational stability.

The Board will continue to monitor turnover trends closely and assess the effectiveness of these initiatives as part of its oversight of workforce stability and the Group's long-term growth objectives.

Shareholders' questions and answers session

The Meeting proceeded to address the following questions and feedback raised by shareholders and/or proxies:

Part 1:

a) Referring to page 58 of the Annual Report 2025, a shareholder sought clarification on the significant increase in administrative expenses from RM5,307,732 in the financial year 2024 to RM9,998,917 in financial year 2025.

b) The shareholder enquired about the expected contribution of the Group's operation in Indonesia to the Group's future profitability.

c) Referring to page 85 of the Annual Report 2025, the shareholder enquired about the increase in term loans from RM144,644 in financial year ended 31 December 2024 to RM419,225 in the financial year ended 31 December 2025.

d) Lastly, the shareholder enquired whether the Group anticipated an improvement in profitability and stronger financial performance for the ensuing financial year.

Answer:

a) Ms. Toh Woan Fei ("**Ms. Fay**"), *Chief Financial Officer*, explained that the increase in administrative expenses was primarily attributable to the Group's manufacturing operations in Indonesia, which commenced commercialisation in and around January 2025. She explained that during the financial year ended 31 December 2024, the Indonesia operations were still in the initial start-up phase and therefore only limited costs were incurred. However, in financial year ended 31 December 2025, as the operations progressively ramped up towards normal operational levels, additional administrative expenses were incurred, including indirect labour costs, professional fees and other operating expenses necessary to support the expanded business operations.

b) In response to the enquiry on whether administrative expenses were expected to increase further, Ms. Fay explained that this would depend on production levels. She added that the Group would continue its efforts to maximise production to achieve optimal operating efficiency.

c) Ms. Fay explained that, having considered the Group's financial performance and prevailing business requirements, the term loans were obtained by the Group's subsidiaries to finance business expansion and meet working capital requirements. The borrowings comprised approximately RM10 million for Adventa Healthcare Sdn. Bhd. and approximately RM8 million for the Group's subsidiary in Indonesia. Ms. Fay reassured the shareholder that the Group's gearing ratio remained at a healthy level of approximately 0.2 times.

d) In response to the enquiry on the Group's future profitability, Ms. Fay stated that Management was unable to provide any assurance or profit guarantee on the Group's future profitability at this juncture. Nevertheless, she emphasized that the Board and Management remained committed to driving operational improvements and achieving better financial performance in the ensuing financial year. She highlighted that achievement of these targets had been incorporated into Management's key performance indicators for the upcoming financial year.

   Mr. Low Chin Guan ("**Mr. Low**"), *Executive Director*, added that the Board and Management were committed to strengthening the Group's business and enhancing its long-term growth prospects. He acknowledged that establishing overseas operations involved challenges including those relating to human capital, technical expertise, infrastructure and operational complexity. Nevertheless, he expressed the Board's confidence that Indonesia would serve as a key growth market and contribute meaningfully to the Group's future growth with its vast population and abundance of labour.

Part 2:

a) Referring to page 61 of the Annual Report, a shareholder sought clarification on the foreign currency translation reserve.

b) The shareholder enquired whether the Group had undertaken adequate due diligence prior to its investment in Indonesia, taking into consideration the challenges previously encountered by other Malaysia companies investing in Indonesia.

c) The shareholder expressed concern over the Company's prolonged non-declaration of dividends.

d) The shareholder further enquired whether the Indonesian Government had imposed any conditions or requirements in relation to the Company's investment in Indonesia.

e) Referring to page 58 of the Annual Report, the shareholder requested further clarification on the foreign currency translation differences recorded in the financial statements.

Answer:

a) Ms. Ng Chew Pei ("**Ms. Ng**"), *representative from PKF PLT, External Auditor*, explained that the foreign currency translation reserve arose from unrealised foreign exchange translation differences relating to an intercompany loan of approximately RM38 million extended by the Company to finance its Indonesian subsidiary's investment in land, factory building and plant and equipment. She further explained that the translation differences were recorded in other comprehensive income and were not reflective of the Group's operating performance. The balance would fluctuate in line with movements in the Indonesian Rupiah against the Malaysian Ringgit.

Mr. Low further explained that the funds had been invested in fixed assets for long-term business operations and income generation rather than being held as cash. As such, the foreign currency translation differences did not represent a realised loss to the Group.

b) Mr. Low responded that the investment risks had been carefully evaluated by the Board prior to the Group's investment in Indonesia. He reiterated that the Board's confidence in the Group's Indonesia strategy, citing the collective experience and expertise of the Board, as well as continued customer interest driven by the shift in manufacturing demand away from China.

c) Mr. Low acknowledged the shareholder's concern regarding the prolonged absence of dividend payments and the Group's financial performance in recent years. He reaffirmed that the Board remained committed to improving the Group's performance, particularly as the Indonesia operations continued to mature and progressively contribute to the Group's results.

d) In response to the enquiry on the Indonesian Government's requirements, Mr. Low explained that the Indonesian Government had been supportive of foreign investments and that the Company did not perceive the level of investment risk to be the same as that which may have existed approximately 10 years ago. He further explained that Indonesia had established special economic zones that offered various incentives and support to investors.

Mr. Low added that products manufactured in Indonesia could potentially benefit from local procurement policies, under which hospitals in Indonesia may be required or encouraged to prioritise locally manufactured products over imported products, thereby creating additional market opportunities.

e) Ms. Ng explained that the item related to the same foreign currency translation reserve discussed earlier. She clarified that the amount represented translation movements arising from foreign exchange differences and was recorded directly in equity through other comprehensive income. She highlighted that it was not related to the Group's operational performance.

Ms. Ng further explained that the movement reconciled with the foreign currency translation reserve shown in the statement of financial position and that the respective amounts were interrelated.