

MTAG GROUP BERHAD

Registration No. 201801000029 (1262041-V)

("the Company")

(Incorporated in Malaysia)

SUMMARY OF KEY AGM MATTERS DISCUSSED AT THE 5TH ANNUAL GENERAL MEETING OF MTAG GROUP BERHAD DULY CONDUCTED THROUGH FULLY VIRTUAL LIVE STREAMING AND ONLINE MEETING PLATFORM OF TIIH ONLINE PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. IN MALAYSIA VIA ITS WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) ON WEDNESDAY, 23 NOVEMBER 2022 AT 10.00 A.M.

Questions and Answers arising from the Minority Shareholders Watch Group ("MSWG"):-

Q1 Despite the difficult times, MTAG continued to enhance its capabilities by investing in new machines in FY2022, which ultimately boosted its value proposition to its customers. (Page 14 of Annual Report ("AR") 2022)

(a) How much have the Group invested in new machines in FY2022?

(b) What is the budgeted capex for FY2023 and FY2024? How much of this is growth capex vs maintenance capex?

The Company's Response:

(a) A total of RM5 million was invested in the new machines.

(b) Not less than 6 months for FY2023 and FY2024.

Q2 MTAG has established itself in the southern region of Malaysia and the Group targets to expand its geographical footprint in the central and northern regions going forward. At the same time, MTAG also aims to diversify its clientele base to include other industries such as food and beverage (F&B) and technology. With its technical expertise, proven track record and new capabilities, MTAG is optimistic on this front. (Page 20 of AR 2022)

(a) Please explain more on your expansion to other regions in the country. How much of MTAG's revenue in FY2022 were from these regions?

(b) How much of MTAG's revenue was from Electronic Manufacturing Services ("EMS") customers in FY2022 vs FY2021?

(c) Have you engaged with any potential customers from the F&B and technology industries?

The Company's Response:

(a) As the expansion is still in the preliminary stage, the Company is unable to disclose further information.

(b) About 90%.

(c) The Company is not allowed to disclose the information and have signed a Non-Disclosure Agreement ("NDA").

Q3 MTAG has secured several new projects for its fully digital press printing machine and continue to be in active discussions with potential customers as the Group is ready to take up more orders with our new capabilities. (Page 20 of AR 2022)

(a) What is the total orderbook for these new projects? What is the latest remaining orderbook?

(b) What is the current utilisation rate for this machine? Do you expect to acquire more new machines and what is the capex per machine?

The Company's Response:

(a) The Company is not allowed to disclose the information and have signed NDA.

(b) The utilization rate is about 70% to 80% and it is within the capex budget.

Q4 Other income declined from RM3.02 million in FY2021 to RM0.73 million in FY2022. (Page 67 of AR 2022).

What were the reasons for the substantial decline in other income in FY2022?

The Company's Response:

It was due to unforeseen foreign exchange currency rate and low interest rate.

The following are the key questions that were raised by few other shareholders prior and during the meeting, which were responded and addressed by the Board and Management:-

Q1 Mr. Yeoh Wei Sheng posed the following questions:

(a) What is the company's strategy to handle the business disruption on the EMS customer and whether the revenue and profit will be significantly impacted in near future.

The Company's Response:

Business disruptions for EMS customers are improving as foreign labour can be recruited.

(b) How does the management view the business outlook within 1 year and also long term? Will there be any growth in revenue and profit year over year and how much will it grow (exact %)?

The Company's Response:

We expect the company's growth to be between 5% and 10%, conservatively.

(c) What is the company's strategy to ensure continuous business growth? Any plan of expansion to a foreign market or product diversification?

The Company's Response:

The Company will be looking into Merger and Acquisition ("M&A) proposals.

Q2 Mr. Teh Kian Lang posed the following questions:

(a) Can we have a hybrid/ physical AGM next year?

The Company's Response:

The Company will consider on the request.

(b) How was the land purchase status for expansion?

The Company's Response:

The negotiations are still ongoing, and we hope to resolve them by the end of next year 2023.

(c) Is business improving these few months. How do you see business prospects in next 3 months?

The Company's Response:

The business has been improving for the past few months, and the forecast for the next few months is also positive.

Q3 Mr. Ho Xi Wen posed the following questions:

- (a) Since listing in year 2019, our Group's performance remains flat with the absence of growth. What were the main reasons or constraint behind? Can you share what is the earnings outlook in the new financial year?**

The Company's Response:

Last few years, the Group's performance remains flat due to Covid-19 pandemic and shortage of labour supply. For FY2023, we hope the performance will recover to the level before pre-covid.

- (b) With the strong cash pile on hand, any M&A plan in the pipeline? Can the Company share more details with the shareholders?**

The Company's Response:

The Company is looking into the opportunity for M&A, however some are at a high level and not for public disclosure.

- (c) Recession is happening right now and many industries had soften down. What is the impact to the Group thus far? Any cancellation or deferment in orders?**

The Company's Response:

The Company do not foresee any cancellation or deferment in orders.

- (d) Can the management talk a little bit more on the latest business update? Any ongoing expansion plans? Any new customer on board? Any new product launching by customers?**

The Company's Response:

The Company is in the preliminary stages of discussing M&A. Any news on M&A, the Company will update appropriately from time to time.

Q4 Mr. Teo Chee Siong posed the following questions:

- (a) As comparing to purchase of new land and M&A strategy, which is the preferred way to moving forward for the development of the group?**

The Company's Response:

In order to determine which is suitable for the Company, the Company will evaluate from time to time and will always have to look at the facts and circumstances for the target and thereafter, proposed to the Board for approval. Subsequently, when shareholders' approval is required, the Company will call for a General Meeting.

- (b) Among the rising input cost, supply chain disruptions and labour shortages, which area is the most challenging part? Which part is currently having great improvement till chance to resolve it?**

The Company's Response:

The Company will work very closely with the customers and we will adjust the cost accordingly.

The Company is able to overcome the supply chain disruption by order more goods to meet the demand.

The Company is not very labour intensive. Currently, the existing machines require one to three workers as the machine is fully automated.

- Q5. **Mr. Chan Kok Thim inquired if there is a Dividend Policy in MTAG? If so, what will be the annual payout rate? If NO, any intention to start this policy?**

The Company's Response:

The dividend payout rate has set before the Company listing is 60% to 70% over the past 3 years.

- Q6 **Ms. Ngee Geok Choo requested a copy of the latest annual report to be sent to her registered address.**

The Company's Response:

The Company noted the above request and will arrange to send a copy of the Annual Report to the shareholder.

- Q7 **Ms. Gow Fei Chieh inquired how big our market share in the industry? What is our capacity utilization rate?**

The Company's Response:

The capacity utilization rate is about 70% to 80%.

- Q8 **Ms. Yong Yang Har, Ms. Tee Beng Hee, Ms. Tee Beng Ngo, Mr. Lim Bai Tai @ Lim Eng Kim, Ms. Tee Beng Choo, Mr. Chee Teng Ho, Mr. Aw Kum Wah, Ms. Low Siew Ying, Mr. Ho Chun Kit, Mr. Lim Chee Wieh, Teh Kian Lang and Ms. Tan Saik Kuen asked if e-voucher or gift voucher would be given to those shareholders who have taken the initiative to attend the Company's virtual AGM?**

The Company's Response:

The Company will consider on the suggestion in future.

There being no further business, the meeting was called to a close by the Chairman at 11.40 a.m. with a vote of thanks to the Chair.