

**DANCOMECH HOLDINGS BERHAD**  
**Registration No. 201301020455 (1050285-U)**  
**(“Company” or “Dancomech”)**  
(Incorporated in Malaysia)

Minutes of the Virtual Eleventh Annual General Meeting of the Company held at the Broadcast Venue at No. 19, Jalan Pelukis U1/46, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 30 May 2024 at 2.00 p.m.

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**PRESENT AT THE BROADCAST VENUE**

**Board of Directors** : Datuk Zainal Abidin Bin Ujud – *Independent Non-Executive Chairman*  
Mr Aik Swee Tong – *Managing Director*  
Mr Aik Cwo Shing – *Executive Director*  
Mr Gong Wooi Teik – *Senior Independent Non-Executive Director*  
Mr Lee Chen Yow – *Independent Non-Executive Director*  
Ms Sharon Lee Ching Yee – *Independent Non-Executive Director*

**Company Secretary** : Ms Tan Fong Shian

**Management** : Mr Tang Yuen Kin – *Group Chief Financial Officer*

**PARTICIPATING VIA LIVE STREAMING**

**Company Secretary** : Ms Liew Chak Hooi

**Auditors** : Mr Steve Ooi Poh Lim – *TGS TW PLT*  
Mr Simon Kuan Jun Xian – *TGS TW PLT*  
Mr Aaron Ng Ting Shen – *TGS TW PLT*

**Shareholders/Corporate Representatives/Proxies** : As per Summary of Attendance via Webinar session link

1. **INTRODUCTION**

Datuk Zainal Abidin Bin Ujud, the Chairman of the Board of Directors (“Board”) of the Company (“Datuk Chairman”), extended a warm welcome to everyone present at the Company’s Eleventh Annual General Meeting (“AGM” or “Meeting”), conducted on a virtual basis through live streaming via remote participation and voting facilities, for the purpose of considering the business of the Company as set out in the Notice of AGM dated 30 April 2024.

Datuk Chairman then introduced to the Meeting, the Directors, the Group Chief Financial Officer and the Company Secretary who were present at the Broadcast Venue, and the representatives of the external auditors, TGS TW PLT, who joined the Meeting remotely.

2. **QUORUM AND SHAREHOLDERS' RIGHTS AS TO VOTING**

Upon receiving confirmation on the presence of a quorum in accordance with Rule 91 of the Company's Constitution from the Company Secretary, Datuk Chairman duly called the Meeting to order.

Datuk Chairman informed that he would exercise his right as the Chairman of the Meeting to demand for a poll in accordance with Rule 97.1(a) of the Company's Constitution in respect of all resolutions which would be put to vote at the Meeting.

The Meeting was also informed that the Company had appointed Mega Corporate Services Sdn Bhd as the Poll Administrators to conduct the polling process and Cygnus Technology Solutions Sdn Bhd as the Scrutineers to verify the poll results.

The representative of the Poll Administrators was then invited to present a short audio-visual presentation to guide the shareholders who attended through live streaming on how to post their questions online via typed texts and how to locate the Digital Ballot Form ("DBF") for the voting link.

Upon the conclusion of the presentation, Datuk Chairman announced the opening of the voting session.

3. **NOTICE**

There being no objection, the Notice convening the Meeting, having been circulated earlier to all shareholders of the Company within the prescribed notice period, was taken as read.

4. **AUDITED FINANCIAL STATEMENTS AND REPORTS**

Datuk Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements ("AFS") of the Company for the financial year ended 31 December 2023 ("FYE2023") together with the Reports of Directors and Auditors thereon, which having been circulated to all shareholders of the Company within the statutory period.

Datuk Chairman explained that in accordance with Section 340(1)(a) of the Companies Act 2016, the AFS for FYE2023 were tabled for adoption only, and would not be put forward for voting. Datuk Chairman then declared that the AFS for FYE2023 to be duly received and adopted.

The Meeting was further informed that the question & answer ("Q&A") session on the AFS would be held after the Meeting had procedurally moved each motion.

5. **ORDINARY RESOLUTION 1**  
**RE-ELECTION OF DIRECTOR – DATUK ZAINAL ABIDIN BIN UJUD**

Datuk Chairman proceeded to the next item on the Agenda and informed the Meeting that there would be a total of 9 resolutions to be passed at the Meeting and each must be separately considered and voted by poll.

Shareholders' approval was sought for the re-election of Datuk Zainal Abidin Bin Ujud under Ordinary Resolution 1 as follows:-

“THAT Datuk Zainal Abidin Bin Ujud, the Director who is retiring pursuant to the Company's Constitution, and being eligible, be and is hereby re-elected to the Board.”

6. **ORDINARY RESOLUTION 2**  
**RE-ELECTION OF DIRECTOR – MR AIK SWEE TONG**

Shareholders' approval was sought for the re-election of Mr Aik Swee Tong under Ordinary Resolution 2 as follows:-

“THAT Mr Aik Swee Tong, the Director who is retiring pursuant to the Company's Constitution, and being eligible, be and is hereby re-elected to the Board.”

7. **ORDINARY RESOLUTION 3**  
**APPROVAL OF PAYMENT OF DIRECTORS' FEES AND BENEFITS**

Shareholders' approval was sought on the following Ordinary Resolution 3:-

“THAT the payment of Directors' Fees of up to RM200,000 and benefits of up to RM20,000 to the Non-Executive Directors from 31 May 2024 until the next AGM of the Company be and is hereby approved.”

8. **ORDINARY RESOLUTION 4**  
**RE-APPOINTMENT OF AUDITORS**

Shareholders' approval was sought for the reappointment of TGS TW PLT, who have expressed their willingness to continue in office, as Auditors of the Company under Ordinary Resolution 4 as follows:-

“THAT TGS TW PLT be and are hereby re-appointed as the Company's Auditors and to hold office until the conclusion of the next AGM AND THAT the Directors be and are hereby authorised to determine their remuneration.”

9. **SPECIAL BUSINESS**

**ORDINARY RESOLUTION 5 – RETENTION OF DATUK ZAINAL ABIDIN BIN UJUD AS INDEPENDENT DIRECTOR**

**ORDINARY RESOLUTION 6 – RETENTION OF MR GONG WOUI TEIK AS INDEPENDENT DIRECTOR**

**ORDINARY RESOLUTION 7 – RETENTION OF MR LEE CHEN YOW AS INDEPENDENT DIRECTOR**

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Datuk Chairman informed the Meeting that the next three (3) items were to seek the shareholders' approval for the retention of himself, Datuk Zainal Abidin Bin Ujud, Mr Gong Wooi Teik ("Mr Gong") and Mr Lee Chen Yow ("Mr Lee"), each who has exceeded the cumulative nine (9) years term limit as prescribed by the Malaysian Code on Corporate Governance ("the Code"), as the Independent Directors of the Company.

In observing the recommendation under the Code in relation to the tenure of an Independent Director, the Board had, after having assessed the independence of Datuk Chairman, Mr Gong and Mr Lee, considered them to be independent based on the justifications as contained in Annual Report 2023 and recommended that Datuk Chairman, Mr Gong and Mr Lee be retained as Independent Directors of the Company and to hold office until the conclusion of the next AGM.

Datuk Chairman also informed the Meeting that the resolutions on the proposed retention of the three (3) said Independent Directors will be voted through a two-tier voting process. Datuk Chairman, Mr Gong and Mr Lee had abstained from all deliberations and voting at Board Meeting with regards to the Ordinary Resolution 5, Ordinary Resolution 6 and Ordinary Resolution 7 respectively.

Shareholders' approval was sought on the following Ordinary Resolution 5:-

"THAT, subject to the passing of Ordinary Resolution 1, Datuk Zainal Abidin Bin Ujud be and is hereby retained as Independent Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities."

Shareholders' approval was sought on the following Ordinary Resolution 6:-

"THAT Mr Gong Wooi Teik be and is hereby retained as Independent Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities."

Shareholders' approval was sought on the following Ordinary Resolution 7:-

"THAT Mr Lee Chen Yow be and is hereby retained as Independent Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities."

10. **SPECIAL BUSINESS**  
**ORDINARY RESOLUTION 8**  
**AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES**

Shareholders' approval was sought on the following Ordinary Resolution 8:-

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, without first offer to holders of existing issued shares of the Company, 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

11. **SPECIAL BUSINESS**  
**ORDINARY RESOLUTION 9**  
**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)**

Datuk Chairman informed the Meeting that Ordinary Resolution 9 was to seek the shareholders' approval on the Proposed Shareholders' Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions in the manner as contained in the Circular to Shareholders of the Company dated 30 April 2024.

Shareholders' approval was then sought for the Proposed Shareholders' Mandate under Ordinary Resolution 9 as follows:-

“THAT subject always to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities or other relevant regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into related party transactions with such related parties, details and particulars of which as set out in the Circular to Shareholders dated 30 April 2024 provided that such transactions are:-

- (a) recurrent transactions of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- (c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms in line with those generally available to the public; and
- (d) not detrimental to the interests of the minority shareholders of the Company;

AND THAT such authority, once renewed, shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company, at which time the authority will lapse unless by a resolution passed at that AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be authorised to do, carry out and complete all such acts, things and arrangements (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions as contemplated/authorised by the Proposed Shareholders' Mandate."

The Meeting was advised that there was no other business to be transacted of which due notice had been given. The Meeting then proceeded with the Q&A session prior to the polling on all the resolutions.

## 12. **Q&A SESSION**

Datuk Chairman then invited Mr Aik Swee Tong, the Managing Director ("MD"), Mr Aik Cwo Shing, the Executive Director ("ED") and Mr Tang Yuen Kin, the Group Chief Financial Officer ("CFO") to address the questions received from the shareholders/corporate representatives/proxies. Datuk Chairman also highlighted that in the event there were any questions submitted by shareholders/corporate representatives/proxies through the questions pane, which the Company was unable to address, the Company would respond via email as soon as possible after the Meeting. He further informed that for expediency, certain similar or overlapping questions may be grouped together.

Full details of the Q&A as annexed herewith marked as "Annexure A".

Datuk Chairman then expressed his appreciation to the MD, ED and Group CFO for their answers to all the questions posted by the shareholders and to the shareholders as well for their concerns and suggestions for the future growth of the Group.

Datuk Chairman thereafter, concluded the Q&A session and reminded shareholders/corporate representatives/proxies to vote via DBF as the voting session would be open for another 5 minutes.

## 13. **E-VOTING**

At 2.44 p.m., Datuk Chairman then declared that the voting session for the AGM had closed.

The Meeting was then adjourned for 5 minutes for the poll verification and validation by the Poll Administrators and Scrutineers.

14. **RESULTS OF THE POLL**

At 2.51 p.m., Datuk Chairman called the Meeting back to order for the declaration of the poll results. He informed that the poll results had been verified by the Scrutineers and the Scrutineers have confirmed the poll results.

The poll results in respect of all the Ordinary Resolutions as set out below were displayed on the screen for the information of the shareholders/corporate representatives/proxies:

Resolution	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 1</b> Re-election of Datuk Zainal Abidin Bin Ujud as Director	225,345,268	99.9942	13,122	0.0058	Carried
<b>Ordinary Resolution 2</b> Re-election of Mr Aik Swee Tong as Director	237,088,898	99.9945	13,120	0.0055	Carried
<b>Ordinary Resolution 3</b> Approval of the payment of Directors' Fees and benefits	225,323,668	99.9846	34,722	0.0154	Carried
<b>Ordinary Resolution 4</b> Re-appointment of TGS TW PLT as Auditors	237,119,098	99.9988	2,920	0.0012	Carried
<b>Ordinary Resolution 5 (Tier 1)</b> Retention of Datuk Zainal Abidin Bin Ujud as Independent Director	192,400,962	100.0000	0	0.0000	Carried
<b>Ordinary Resolution 5 (Tier 2)</b> Retention of Datuk Zainal Abidin Bin Ujud as Independent Director	44,643,234	99.8260	77,822	0.1740	Carried
<b>Ordinary Resolution 6 (Tier 1)</b> Retention of Mr Gong Wooi Teik as Independent Director	192,400,962	100.0000	0	0.0000	Carried

<b>Resolution</b>	<b>Vote For</b>		<b>Vote Against</b>		<b>Results</b>
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	
<b>Ordinary Resolution 6 (Tier 2)</b> Retention of Mr Gong Wooi Teik as Independent Director	44,707,936	99.9707	13,120	0.0293	Carried
<b>Ordinary Resolution 7 (Tier 1)</b> Retention of Mr Lee Chen Yow as Independent Director	192,400,962	100.0000	0	0.0000	Carried
<b>Ordinary Resolution 7 (Tier 2)</b> Retention of Mr Lee Chen Yow as Independent Director	44,707,936	99.9707	13,120	0.0293	Carried
<b>Ordinary Resolution 8</b> Authority for Directors to allot and issue shares	225,323,168	99.9844	35,222	0.0156	Carried
<b>Ordinary Resolution 9</b> Proposed Shareholders' Mandate	225,343,668	99.9947	11,919	0.0053	Carried

Based on the poll results, Datuk Chairman then declared that the Ordinary Resolutions 1 to 9 were all duly carried.

15. **CLOSURE**

Datuk Chairman thanked all participants at the AGM.

There being no further business to be transacted for which due notice had been given, the Meeting closed at 2.53 p.m. with a vote of thanks to Datuk Chairman.

CONFIRMED AS A CORRECT RECORD

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CHAIRMAN

Date: 24 June 2024

Pre-AGM Q&As

No.	Question	Management's Response
1.	<p>(a) <i>With the recent heat waves, there has been a significant increase in the demand for HVAC<sup>(1)</sup> and air conditioning systems globally. Could you please explain how this increased demand for HVAC and air conditioning systems is benefiting our metal stamping business? Specifically, how are we seeing this impact our order volumes and revenue, and what steps are we taking to capitalize on this market opportunity?</i></p> <p><sup>(1)</sup> <i>Heating, Ventilation, and Air Conditioning</i></p>	<p><b>[CFO]</b> Yes, we see an increase in the order volumes from our customers in MTL Engineering Sdn Bhd (“MTL”) for second quarter of 2024 and this is expected to continue into the third and fourth quarters of 2024. In this regard, we are expecting higher revenue to be generated by our Metal Stamping business in the financial year (“FY”) 2024 as compared to the FY2023 but it is not expected to hit the height of FY2022, which benefited from the pent-up demand arising from the Covid-19 lockdowns.</p> <p>To meet the increase in demand, we have taken / are taking the following steps:</p> <ul style="list-style-type: none"> <li>(i) Make operational adjustments by running an extra shift, i.e. two-shifts, as a temporary measure; and</li> <li>(ii) Expand our production capacity by adding several new stamping and robotic arm machines to our operations, as a longer-term measure. These additional machines and equipment will not only help us meet the current increase in orders but also position us to accommodate future orders from both existing and new customers.</li> </ul> <p>By increasing our production capabilities, we aim to enhance our responsiveness to market demand, reduce lead times, and improve our overall service levels, thereby solidifying our position as a key supplier in the HVAC and air conditioning parts industry.</p>

No.	Question	Management's Response
	<p><i>(b) Can you provide an update on our current production utilization rate and the status of our order book in metal stamping? How are we managing the increased demand, and what impact do you anticipate this will have on our production capacity and overall business performance? The new factory (newly bought) will increase how much capacity and will the revenue of our metal stamping increase in this and coming quarter.</i></p>	<p><b>[CFO]</b> Generally, MTL's production operations can be divided into two (2) main categories i.e. Press Stamping division and Computer Numerical Control ("CNC") Turret Punching/Bending division.</p> <p>As of May 2024, our Press Stamping division has a utilisation rate of more than 100.0% with the current two-shift operation. As for the CNC Turret Punching/Bending division, the utilisation rate is about 68.0%. In terms of our order book for metal stamping, it is insignificant as our sales are derived from daily purchase orders.</p> <p>For the questions on how we manage the increased demand and the impact on our production capacity and overall business performance, kindly refer to our answers to Question 1(a) above.</p> <p>For the new factory, we are currently in the process of getting the necessary approvals from the relevant authorities for the factory construction. At this juncture, it is still a vacant land since our acquisition.</p>
	<p><i>(c) Could you please provide the current ratio of our metal stamping customers in terms of local versus foreign markets? Additionally, how do you see this ratio evolving in the near future, and what strategies are in place to balance or expand our customer base in these segments?</i></p>	<p><b>[CFO]</b> At present, our customer base in MTL is predominantly local, with 99% of our metal stamping customers situated in Malaysia (within the local market) and only 1% in the foreign market. This significant market imbalance towards the local market is primarily due to our supply chain dynamics, where we provide metal fabricated parts to major customers who incorporate these parts into their finished goods for both local and international markets. The 1% foreign market share comprises our export of converted metal stamping parts, specifically metal furniture legs, which we currently ship to Australia and Thailand.</p> <p>To address the current imbalance and expand our presence in the foreign market, we are actively pursuing new customers as well as potential collaborations with foreign parties.</p>

No.	Question	Management's Response
	<p><i>(d) I see that our company has recently entered the EV<sup>(2)</sup> charging business, and some installations have already been completed according to our website. This is an exciting development given the growing demand for electric vehicles and the necessary infrastructure. Could you elaborate on our business strategy for the EV charging segment? Specifically, what are our plans for expanding this business, what markets are we targeting, and how do we anticipate this will impact our overall growth and revenue in the near future? Will our EV charging business generate any recurring income? If so, can you provide an estimate of how much this recurring revenue is expected to contribute to our overall income in the current and upcoming quarters?</i></p> <p><sup>(2)</sup> Electric Vehicle</p>	<p><b>[MD]</b> Our business strategy for the EV charging segment focuses on the following four (4) channels:</p> <ul style="list-style-type: none"> <li>(i) Charge-point operation (“CPO”) – targeting hotels, malls, retail outlets, restaurants, medical centers, office towers, and condominiums/apartments;</li> <li>(ii) Home charging – targeting car dealers and solar panel providers;</li> <li>(iii) General Industry – targeting companies and corporations; and</li> <li>(iv) New project development, collaborating with developers, consultants, and mechanical and electrical service (“M&amp;E”) contractors.</li> </ul> <p>As a charge-point operator, we will generate recurring income. However, given that we have only started operations early last year, the recurring revenue from the CPO is relatively small at the moment.</p>
	<p><i>(e) DANCO's customer base primarily includes industries such as palm oil and oleochemical, oil and gas, water and utility, and HVAC. Given that these sectors are the main focus and benefit themes for this year, considering the strong demand and strategic focus on our key customer industries, do you anticipate that we can achieve a profit record this year? Additionally, based on this anticipated performance, can we expect a record dividend payout in FY2024?</i></p>	<p><b>[MD]</b> We will definitely work hard, but we will not be able to make any promises or commitment on that.</p>

No.	Question	Management's Response
	<p>(f) <i>I understand that Indonesia is a potential market for us, and with the recent capital relocation, there may be new opportunities to explore. Could you provide an overview of our outlook for the Indonesian market? Specifically, what products or segments are we focusing on in Indonesia, and are there plans to expand our metal stamping business into this market? Additionally, how do you anticipate the relocation of Indonesia's capital will bring opportunities or benefits to our operations?</i></p>	<p><b>[MD]</b> Indonesia has always been our second focused market after Malaysia, and we will continue to pursue sales growth in Indonesia given the lack of new projects in the palm oil and oleochemical industry in Malaysia. Our sales to Indonesia are mainly derived from our Trading business, i.e. supply of process control equipment and measurement instruments to the palm oil and oleochemical industry.</p> <p>At this juncture, we have no intention of expanding our metal stamping business to Indonesia.</p> <p>It is premature to determine the impact of the relocation of Indonesia's capital city on our operations at this juncture. In any event, if any opportunities arise from that in future, we will explore them.</p>
2.	<p>(a) <i>May I know the progress of the new MTL factory construction?</i></p>	<p><b>[ED]</b> We are in the process of getting the necessary approvals from the relevant authorities for the factory construction.</p>
	<p>(b) <i>What is the MTL engineering factory average utilisation rate % in FY2023?</i></p>	<p><b>[ED]</b> MTL factories' production operations are divided into two (2) main categories, as follows:</p> <ul style="list-style-type: none"> <li>(i) Press Stamping Machines, which are utilised to produce high volume orders of metal fabrication parts; and</li> <li>(ii) CNC Turret Punching/Bending Machines, which are designed to handle customised and small to medium size orders.</li> </ul> <p>In FY2023, our MTL factories experienced a notable reduction in order volumes due to the global economic slump. As a result, the utilisation rate for CNC Turret Punching/Bending division faced significant challenges due to reduced order volumes, resulting in a utilisation rate of 63.1%, while the Press Stamping division maintained at a 96.2% utilisation rate.</p>

No.	Question	Management's Response
	<i>(b) What is the MTL engineering factory average utilisation rate % in FY2023? – cont'd</i>	The overall utilisation rate for the machines of MTL in FY2023 was 83.2%.
	<i>(c) Who are the customers of UTC Engineering Sdn Bhd ("UTC")?</i>	<b>[ED]</b> UTC's customers mainly comprise local suppliers and service providers to building and factory operations, M&E contractors, electrical contractors, air conditioning and mechanical ventilation (ACMV) contractors, end users, and water authorities.
	<i>(d) Has UTC received any contracts from or indirectly from data centre providers?</i>	<b>[ED]</b> Not at this juncture. However, we are exploring opportunities to supply for some of the scope.

**Questions received during the live streaming of the Company's AGM, which were sent by participants through the question pane on the AGM streaming platform, accompanied by the corresponding responses.**

No.	Question	Management's Response
1.	<i>(a) MTL Engineering (subsidiary of DANCO), the metal stamping is serving the HVAC Industry mainly. May I know what is the % of revenue generated from HVAC (residential segment) and HVAC (commercial building segment)?</i>	<b>[CFO]</b> Given that we supply certain parts only and not the entire air-conditioning unit to the HVAC manufacturers, we do not keep track of the percentage breakdown for revenue generated from residential segment and commercial building segment. However, we do supply to both residential and commercial building segments.
	<i>(b) May I know the business updates from JusEV<sup>(3)</sup>? Has it started contributing sales to the group?</i>  <i><sup>(3)</sup> JusEV Charging Network Sdn Bhd</i>	<b>[CFO]</b> We have earlier provided the updates on our EV charging segment and generally, JusEV has been contributing sales to our Group since it started operations early last year. However, as mentioned earlier, the contribution from JusEV at the moment is still very marginal given that it is still at the inception stage and this is within our expectations.

No.	Question	Management's Response
	<p>(c) <i>May I know the competitive advantage of MTL in metal stamping? As we know, metal stamping industry is quite competitive. I would suggest the Management to focus on its core business without doing lots of M&amp;A<sup>(4)</sup> exercises.</i></p> <p><sup>(4)</sup> <i>Mergers &amp; Acquisitions</i></p>	<p><b>[CFO]</b> Yes, the metal stamping industry is competitive. The competitive advantage of MTL is that MTL is a long-established company in the metal stamping industry (since 1994) whereby the Management team has been in the metal stamping business for the past 30 years. In addition, MTL supplies mainly to the to the main players in the HVAC industry.</p> <p>As mentioned over the years, M&amp;A is one of our business strategies to grow our business. In pursuing organic growth, we would also continue to explore opportunities for inorganic growth through acquisitions and collaborations.</p> <p>Generally, as disclosed during our AGMs in previous years, we will consider, amongst others, the following factors for the acquisition target:</p> <ul style="list-style-type: none"> <li>(i) It is value-accretive;</li> <li>(ii) Reasonable acquisition price;</li> <li>(iii) Strong management of the target to continue running the business; and</li> <li>(iv) The target and the industry of the target have good growth prospects.</li> </ul> <p>We believe that sustainable growth could be driven by M&amp;A but we are quite selective in terms of M&amp;A which is depending on above factors as well as the outcome of the due diligence to be conducted.</p>
2.	<p>(a) <i>Is there any M&amp;A for this year?</i></p>	<p><b>[ED]</b> Yes, the Group will consider should there be any opportunities arising in future and the Group is ready for negotiations on any potential acquisitions and collaborations in order to enhance our growth and profitability.</p>
	<p>(b) <i>What is the business outlook for this year and next year?</i></p>	<p><b>[ED]</b> Based on the orders that we have been getting, we are cautiously optimistic of our performance for this year and next year.</p>

No.	Question	Management's Response
	<i>(c) Is there any expansion plan to further grow the business?</i>	<b>[ED]</b> Yes, our valves division is ready to expand into Indonesia market by either working closely with an existing partner in Indonesia or setting up our own office there, should the opportunity arises.
	<i>(d) May we know what is the dividend payout ratio based on the business profit?</i>	<b>[ED]</b> Yes, the Company has a dividend pay-out policy of up to 40% of our yearly consolidated profit attributable to owners of the Company.
3.	<i>May I know what is the impact of the USD exchange rate fluctuation and how does the company handle that?</i>	<p><b>[CFO]</b> Generally, for our Trading division, purchases are made mainly from overseas suppliers which expose us to the USD exchange rate fluctuations. In mitigating such fluctuations, we normally:-</p> <ul style="list-style-type: none"> <li>(i) hold four (4) to six (6) months of stocks to guard against any foreseeable increase in costs due to such fluctuation;</li> <li>(ii) adopt a cost-plus approach in our pricing policy, where we generally pass on the increased costs to our customers in order to maintain a sustainable profit margin while remaining price competitive; and</li> <li>(iii) use a natural hedge strategy, i.e. by operating foreign currency accounts whereby payments received from overseas customers are deposited into the foreign currency accounts and utilised for payments to overseas suppliers.</li> </ul> <p>Based on our track record over the years, the exchange rate fluctuations do not have a material impact on our Group's profitability.</p>

*NOTE: Questions that were similar in nature have been grouped together and answered accordingly.*