

TONG HERR RESOURCES BERHAD
[Registration No. 199701016642 (432139-W)]
(Incorporated in Malaysia)

Minutes of the Twenty-Eighth Annual General Meeting of the Company held at No. 2515, Tingkat Perusahaan 4A, Perai Free Trade Zone, 13600 Perai, Penang on Thursday, 29 May 2025, at 2.00 p.m.

Present : Shareholders
As per Attendance List
Directors
Mr. Tsai Ming Ti (Executive Chairman)
Mr. Tsai Yi Ting (Managing Director)
Mr. Tan Ban Leong (Executive Director)
Mr. Soo Gim Wooi (Independent Non-Executive Director)
Rohaiza Binti Mohamed Basir (Independent Non-Executive Director)
Datin Nik Haslinda Binti Nik Mohd Hashim (Independent Non-Executive Director)

In Attendance : Ms. Lee Mei-Mei (Company Secretary)

The Meeting commenced at 2.00 p.m. with the requisite quorum being present.

Notice

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

The Members could download the Annual Report 2024, Share Buy-Back Statement and Circular to Shareholders on Recurrent Related Party Transactions ("RRPT") from the Company's websites. The Notice has also been announced and to Bursa Malaysia Securities Berhad and advertised in the News Straits Times within the prescribed period.

Chairman's Address

Upon the Secretary's confirmation of a quorum being present, the Chairman, Mr. Tsai Ming Ti welcomed and thanked the Members for attending the Company's Twenty-Eighth Annual General Meeting ("28th AGM") and called upon Mr. Tsai Yi Ting (Mr. Tsai), the Managing Director of the Company to assist on the conduct the rest of the Meeting.

After the introduction of the Board of Directors and Secretary to the Members, Mr. Tsai mentioned that the Company had received 15 valid Proxies Forms from shareholders representing 65,471,987 shares or 43% of the issued shares of the Company.

Mr. Tsai further informed that each proposed resolution will be opened to members for discussion and shareholders and/or proxies registered for this meeting have the rights to raise question and will reply during the Questions and Answers session at the end of the meeting.

He added that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any resolution set out in the notice of general meeting is to be voted by poll. For the shareholders' information, the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. was the appointed Poll Administrator and Value Creator Consultancy was the appointed scrutineer to validate the votes casted at the Meeting.

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1. THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON (AFS 2024)

The AFS 2024 having been circulated to all shareholders of the Company within the statutory period, were tabled to the Meeting for discussion.

This agenda item was meant for discussion only, as the provisions of Sections 248 and 340(1) of the Companies Act 2016 did not require formal approval of the members for the Audited Financial Statements (AFS). Hence, this Agenda item was not put forward for voting.

The Chairman declared that the AFS 2024 together with the Reports of the Directors and the Auditors thereon be received.

**2. ORDINARY RESOLUTION 1
TO DECLARE A FINAL SINGLE-TIER DIVIDEND OF RM0.033 PER
ORDINARY SHARE FOR THE YEAR ENDED 31 DECEMBER 2024**

The second item on the Agenda was to approve the declaration of a Final Single-Tier dividend of RM0.033 per ordinary shares in respect of the financial year ended 31 December 2024.

On the proposal of Ms. Lim Qiu Lin and seconded by Ms. Teh Yen San, the Proposed Declaration of a Final Single-Tier Dividend would be put to the Members to vote by poll.

The Members were informed that the final dividend, if approved shall be paid on 18 June 2025 to the depositors whose names appear in the Record of Depositors at the close of business on 4 June 2025.

**3. ORDINARY RESOLUTION 2 TO 4
TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING UNDER THE
PROVISION OF REGULATION 95(1) OF THE CONSTITUTION OF THE
COMPANY**

Mr. Tsai informed the Members that the following Directors who retired under the provision of Regulation 95(1) of the Constitution of the Company, and being eligible, have offered themselves for re-election: -

- i) Mr. Tsai Hung-Chuan [Regulation 95(1)] [Resolution 2]
- ii) Ms. Tsai Pei Chen [Regulation 95(1)] [Resolution 3]
- iii) Puan Rohaiza Binti Mohamed Basir [Regulation 95(1)] [Resolution 4]

On the proposal by Ms. Lim Siew Hoong and seconded by Ms. Tan Hui Ni, the motion on the re-election of Mr. Tsai Hung-Chuan who retired pursuant to Regulation 95(1) would be put to the Members to vote by poll.

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**3. ORDINARY RESOLUTION 2 TO 4
TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING UNDER THE
PROVISION OF REGULATION 95(1) OF THE CONSTITUTION OF THE
COMPANY (CONTINUED...)**

On the proposal by Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie and seconded by Ms. Chiew Pei Pei, the motion on the re-election of Ms. Tsai Pei Chen who retired pursuant to Regulation 95(1) would be put to the Members to vote by poll.

On the proposal by Ms. Lim Qiu Lin and seconded by Ms. Lau Chyi Shan, the motion on the re-election of Puan Rohaiza Binti Mohamed Basir who retired pursuant to Regulation 95(1) would be put to the Members to vote by poll.

The Profiles of the respective Directors could be found in pages 16 to 18 of the Annual Report 2024.

**4. ORDINARY RESOLUTION 5
TO RE-APPOINT MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF
THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025
AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR
REMUNERATION**

As proposed by Ms. Teh Yen San and seconded by Ms. Tan Hui Ni, the motion to consider the re-appointment of Messrs. Crowe Malaysia PLT as the Auditors of the Company for the financial year ending 31 December 2025 and to authorize the Directors to fix their remuneration would be put to the Members to vote by poll. It was noted that the retiring Auditors have expressed their willingness to continue in office.

**5. ORDINARY RESOLUTION 6 - SPECIAL BUSINESS
TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS
FROM THIS AGM UP TO THE DATE OF THE NEXT AGM**

On the proposal by Ms. Chiew Pei Pei and seconded by Ms. Teh Yen San, the proposal to approve the Directors' Fees and Benefits of RM150,000.00 from 28th AGM up to the date of the next AGM payable to the Directors of the Company would be put to the Members to vote by poll.

**6. ORDINARY RESOLUTION 7 - SPECIAL BUSINESS
AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS**

On the proposal of Ms. Lau Chyi Shan and seconded by Ms. Lim Qiu Lin, the proposed Resolution on the Authority to Issue Shares pursuant to section 76 of the Companies Act 2016 would be put to the Members to vote by poll.

The full text of the proposed resolution was set out in the Notice of Meeting.

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7. ORDINARY RESOLUTION 8 - SPECIAL BUSINESS
PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES

On the proposal of Ms. Lim Siew Hoong and seconded by Ms. Chiew Pei Pei, the motion on the proposed Renewal of Authority to Purchase its own Shares would be put to the Members to vote by poll.

The details pertaining to the Proposed Renewal of Authority To Purchase Its Own Shares were set out in the Share Buy-Back Statement dated 25 April 2025, and the full text of the proposed resolution was set out in the Notice of Meeting.

8. ORDINARY RESOLUTION 9 - SPECIAL BUSINESS
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

On the proposal of Ms. Teh Yen San and seconded by Ms. Lim Siew Hoong, the proposed Renewal of Shareholders' Mandate would be put to the Members to vote by poll. The details of the Proposed Shareholders' Mandate were set out in the Circular to Shareholders dated 25 April 2025, and the full text of the proposed resolution was set out in the Notice of Meeting.

The Chairman informed that the interested directors and major shareholder namely, Messrs. Tsai Ming Ti, Tsai, Hung-Chuan, Tsai Yi Ting, Tsai Pei Chen and Tsai, Chia-Yen, and persons connected to them, shall abstain from deliberating, approving, and voting on the motion.

9. ORDINARY RESOLUTION 10 - SPECIAL BUSINESS
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

On the proposal of Ms. Lau Chyi Shan and seconded by Ms Lim Qiu Lin, the motion on the Proposed New Shareholders' Mandate would be put to the Members to vote by poll. The details of the Proposed New Shareholders' Mandate were set out in the Circular to Shareholders dated 25 April, 2025, and the full text of the proposed resolution was set out in the Notice of Meeting.

The Chairman informed that the interested directors and major shareholder namely, Messrs. Tsai Ming Ti, Tsai, Hung-Chuan, Tsai Yi Ting, Tsai Pei Chen and Tsai, Chia-Yen, and persons connected to them, shall abstain from deliberating, approving, and voting on the motion.

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10. ANY OTHER BUSINESS

Mr. Tsai informed that the Company had received a letter from the Minority Shareholders Watch Group on 21 May 2025. The questions and replies from the Company were as follow:

Operational & Financial Matters

	Questions	Answers
1	<p>a) Is that the worst over for Tong Herr?</p> <p>What are the signs that Tong Herr observed that led to the optimistic view?</p> <p>Please elaborate on the industry trends and strategic drivers that led to a more positive view compared to before.</p>	<p>Optimistic is due to we have developed some new market such as Mexico which both are belongs to CPTPP member and Mexico can import good from Malaysia free of duty. Besides, we can sell to Turkey free of duty as Malaysia and Turkey has free trade agreement, also, USA impose tariff on China product which lead us can get more orders from USA.</p>
1	<p>b) Please comment on the possibility of turning around the loss-making fasteners division.</p>	<p>In the past 2 quarters where the fasteners segment was not profitable, this situation was due to the Company having a shortage of raw materials as a result of logistics delay. The delay was an average a month per shipment. The situation has now come back to normal and the fasteners segment is once again the significant contributor to the Group.</p>
	<p>Additionally, please share the current capacity utilisation rates for fasteners and aluminium so that we can better gauge Tong Herr's current operating level.</p>	<p>Our capacity utilisation rate was roughly 60%-70%</p>

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10. ANY OTHER BUSINESS (CONTINUED...)

Operational & Financial Matters (Continued...)

	Questions	Answers
1	<p>c) What are the contracts that the Group is tendering for, the tenderbook and orderbook value?</p> <p>Additionally, kindly elaborate on the strategy to regain market share and leadership position in the industry.</p>	<p>We are exploring more market, enlarge product range as well as special product in order to maintain market share. Additionally, new tariff of USA against China will help us to get more market share of USA, thus in general to stay leadership position in the market</p>
	<p>d) In addition, what is the outlook for raw material input prices, i.e., coiled wire, nickel, zinc, billet and ingots in FY2025?</p>	<p>According to the information provided by the supplier of steel mills, prices for wire rod will remain stable throughout the year. Decrease or increase will not in big percentage</p>
2	<p>How sustainable is the higher than EPS dividend payout, taking into account future capital expenditures and working capital? Will there be major capital expenditures in the near term?</p>	<p>The dividend payout will depend of the Group performance. Moving forward, we will be focusing on mechanization transformation by replacing manual labour with machines and automation in production operations in order to improve efficiency, reduce costs, increase safety, and enhance product quality.</p>

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10. ANY OTHER BUSINESS (CONTINUED...)

Sustainability Matters

Questions		Answers																	
1	a) Please provide an overview of the trend in the number of workplace incidents over the past five years.	<table><tr><td>Year</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Group</td><td>17</td><td>15</td><td>7</td><td>16</td><td>24</td></tr></table>						Year	2020	2021	2022	2023	2024	Group	17	15	7	16	24
	Year	2020	2021	2022	2023	2024													
Group	17	15	7	16	24														
	b) Of the 24 incidents reported in FY2024, what were the most common contributing factors? How severe were these incidents, and how does the Group classify or assess the level of impact resulting from such events?	<p>Most common contributing factors: Human error: Operator want to do shortcut process & not follow SOP (e.g. Operator takes the test sample product without turn off the machine, or before the machine stop completely).</p> <p>Severity: The 24 workplace incidents consider as major issues based on NADOPOD regulation from OSHA (Occupational Safety and Health Administration).</p> <p>(NADOPOD = “Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease”)</p> <p>Classification/Assessment: The 24 workplace incidents consider as major issues by follow the NADOPOD regulation, which the MC given by doctor > 4 calendar days (for Malaysia), > 3 calendar days (for Thailand).</p>																	

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10. ANY OTHER BUSINESS (CONTINUED...)

Sustainability Matters (Continued...)

	Questions	Answers
	c) What specific measures have been implemented to enhance the safety and well-being of workers?	<p>The specific measurement:</p> <ul style="list-style-type: none"> • Added "Safety alert" label on high-risk machine areas. • Reviewed SOP and updated the HIRARC rating of incidents. (HIRARC = "Hazard Identification, Risk Assessment, and Risk Control") • Improved contents of Annual Refreshment training material to enhance the safety awareness for operators. • Enhanced the 'Safety Briefing' by immediate provide briefing to the related operator & teams.

Corporate Governance Matters

	Questions	Answers
1	Moving on, will the Board consider establishing remuneration policies at the Board and senior management level to ensure fair and transparent compensation, attract and retain talent?	Noted. Our remuneration committee will comply with these corporate governance matters.

Mr. Tsai then notified all present that the Company has not received any notice of motion from the members of the Company since the dispatch of the notice of 28th AGM.

The polling process commenced at 2.25 p.m. and the Share Registrar briefed on the procedures of the polling process. Thereafter, the Poll Administrator used an iPad to facilitate voting with the e-Vote system.

While waiting for the Poll Administrator and Scrutineer to compute and check the poll results, Mr. Tsai invited the members for a tea break.

Mr. Tsai called the meeting to order again at 2.40 p.m. and read the poll results as per Appendix 1, a copy of which is attached herewith.

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10. ANY OTHER BUSINESS (CONTINUED...)

As verified and based on the poll results, the Chairman declared that all the proposed resolutions tabled at the Meeting and voted upon by poll were duly passed by the Members of the Company.

There being no further matters to discuss, it was resolved that the Meeting be concluded at 3.00 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record



TSAI MING TI
Chairman

TONG HERR RESOURCES BERHAD

(199701016642)

Twenty-Eighth Annual General Meeting

No. 2515 Tingkat Perusahaan 4A, Perai Free Trade Zone,

13600 Perai, Penang

On 29-May-2025 at 02:00PM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	114,814,034	100.0000	24	100.0000	0	0.0000	0	0.0000	114,814,034	100.0000	24	100.0000
Ordinary Resolution 2	114,813,934	99.9999	23	95.8333	100	0.0001	1	4.1667	114,814,034	100.0000	24	100.0000
Ordinary Resolution 3	114,813,834	99.9998	22	91.6667	200	0.0002	2	8.3333	114,814,034	100.0000	24	100.0000
Ordinary Resolution 4	114,814,034	100.0000	24	100.0000	0	0.0000	0	0.0000	114,814,034	100.0000	24	100.0000
Ordinary Resolution 5	114,814,034	100.0000	24	100.0000	0	0.0000	0	0.0000	114,814,034	100.0000	24	100.0000
Ordinary Resolution 6	114,814,034	100.0000	24	100.0000	0	0.0000	0	0.0000	114,814,034	100.0000	24	100.0000
Ordinary Resolution 7	114,812,692	99.9988	23	95.8333	1,342	0.0012	1	4.1667	114,814,034	100.0000	24	100.0000
Ordinary Resolution 8	114,812,692	99.9988	23	95.8333	1,342	0.0012	1	4.1667	114,814,034	100.0000	24	100.0000
Ordinary Resolution 9	495,132	100.0000	18	100.0000	0	0.0000	0	0.0000	495,132	100.0000	18	100.0000
Ordinary Resolution 10	495,132	100.0000	18	100.0000	0	0.0000	0	0.0000	495,132	100.0000	18	100.0000


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Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	0	0	0	0
Ordinary Resolution 2	0	0	0	0
Ordinary Resolution 3	0	0	0	0
Ordinary Resolution 4	0	0	0	0
Ordinary Resolution 5	0	0	0	0
Ordinary Resolution 6	0	0	0	0
Ordinary Resolution 7	0	0	0	0
Ordinary Resolution 8	0	0	0	0
Ordinary Resolution 9	114,318,902	6	0	0
Ordinary Resolution 10	114,318,902	6	0	0

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)


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