MAG HOLDINGS BERHAD
(200401004611)
(643114-X)
(Incorporated in Malaysia)

Minutes of the 20th Annual General Meeting [20th AGM or Meeting] of MAG Holdings Berhad [MAG or the Company] held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on Thursday, 4 June 2026 at 9.00 a.m.

PRESENT

Mr. Ng Min Lin (Executive Chairman)
Mr. Yeoh Wooi Kia
Mr. Collin Goonting a/l O.S. Goonting
Mr. Wan Mohd Hazrie bin Wan Mokhtar
Ms. Wong Jo Ann
Shareholders and proxies as per attendance list

IN ATTENDANCE

Ms. Wong Yuet Chyn (Company Secretary)

BY INVITATION

Guests as per attendance list

NOTICE

The Chairman welcomed the shareholders, proxies and guests to the Meeting.

The Chairman then proceeded to introduce the Board members [Board] and the Company Secretary.

The Chairman informed that as at 9.00 a.m., there were 38 members present in person or by proxy. Since there being a quorum, the Chairman declared the Meeting duly convened.

The Chairman notified that the Notice convening the 20th AGM [Notice] had been despatched to all the shareholders and Auditors of the Company and the said Notice was advertised in the New Straits Times on 30 April 2026 in accordance with the Constitution of the Company. The Chairman proposed and the Meeting consented that the Notice of Meeting dated 30 April 2026 be taken as read.

The Chairman informed the shareholders that in compliance with the ACE Market Listing Requirements [AMLR] of Bursa Malaysia Securities Berhad [Bursa Securities], all resolutions as set out in the Notice must be put to vote by poll. For this purpose, the Chairman informed that all the resolutions would be vote by poll in accordance with Article 65 of the Company's Constitution.

The Share Registrar, Securities Services (Holdings) Sdn. Bhd., had been appointed as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd., be appointed as the Independent Scrutineer to verify the poll results.

The Chairman informed that the Board would deal with the shareholders' questions after the deliberation of the agenda and before the commencement of the polling process.

The Chairman informed the Meeting that the Minority Shareholders Watch Group [MSWG] had, vide its letter dated 2 June 2026 addressed to the Board, sought information and clarification on the Company's operational, financial matters and sustainability matters.

On behalf of the Board, the Chairman acknowledged receipt of MSWG's letter and informed the Meeting that the Board had prepared responses to the questions raised by MSWG, which would be presented to the Meeting and provided to MSWG in writing.

For the information of the shareholders, the MSWG's questions and the answers from the Management were read out as follows:

<u>Operational & Financial Matters</u>

1. In response to MSWG's question during the Group's 19th AGM, management stated that it remained "confident" in the recoverability of the loan to Henan Xinghe Oil & Fat Company Limited [HXOF] and justified the extension of the loan tenure as support for HXOF's recovery. However, in the subsequent 18-month financial period ended 31 December 2025, the Group recognised a one-off provision of RM248.9 million on this same loan.

    (a) What changed so materially within this relatively short period to warrant a RM248.9 million provision after the Board had previously expressed confidence in the loan's recoverability?

    Answer:

    The impairment provision of RM248.9 million was recognised following the requirements under MFRS 9 Financial Instruments, which requires the Group to reassess expected credit losses based on the latest available information and developments.

    During the financial period, certain new adverse events arose, including HXOF's failure to make the scheduled interest payments on the loan. These developments indicated a significant increase in credit risk and deterioration in recoverability compared to the circumstances prevailing at the time of the 19th AGM.

    Accordingly, the Board considered it prudent and necessary to recognise the one-off impairment provision in compliance with MFRS 9 Financial Instruments requirements.

    (b) Given that the loan has now been fully impaired, does the Board expect any recovery from this exposure?

    Answer:

    No. During the financial period, the Group entered into a settlement arrangement with HXOF and its major shareholder following certain commercial developments relating to the Group's investment plans in the People's Republic of China [PRC].

    In view of the settlement arrangement and the prevailing circumstances, the Board does not expect any material recovery from this exposure. Accordingly, the loan was fully impaired in compliance with the requirements of MFRS 9.

    (c) Did the Board commission any independent legal, forensic or recovery assessment prior to approving the restructuring arrangement with HXOF?

    Answer:

    Yes. Prior to approving the restructuring arrangement with HXOF, the Board had undertaken the necessary review processes, including obtaining professional advice and assessments deemed appropriate under the circumstances.

The Board had considered the commercial, financial and legal implications of the restructuring arrangement before arriving at its decision, with the objective of safeguarding the Group's interests and assessing the recoverability prospects of the exposure.

(d) What accountability measures have been taken internally following this apparent breakdown in credit oversight and capital allocation discipline?

Answer:

The Board has undertaken a comprehensive credit assessment and review of the circumstances surrounding the loan exposure and the subsequent impairment recognised during the financial period. The assessment incorporated both internal due diligence procedures and independent third-party credit evaluations, including a review of the borrower's financial strength, repayment capacity, business model, asset ownership, banking position, equity base, debt-to income [DTI) ratio, and external credit scoring reports.

Following the review, the Group has strengthened its internal credit assessment, monitoring and risk management processes, including enhanced oversight over significant exposures and more rigorous evaluation of counterparties and recovery risks.

The Board remains committed to improving governance, accountability and capital allocation discipline to better safeguard shareholders' interests going forward.

2. Total liabilities increased 22% to RM485.97 million, primarily due to higher borrowings and working capital requirements following the acquisition of two additional farms, Wakuba II and Apas Parit, along with a processing plant in Wakuba II. (page 19 of AR 2025)

(a) What was the actual production output contributed by these assets in FY2025? And what utilisation rate does that represent versus designed capacity?

Answer:

During FY2025, the two newly acquired farms and processing plant contributed approximately 1,500 MT of farm production and 2,000 MT of processing plant, respectively.

Based on the combined designed annual capacity of 3,500 MT for the farms and 6,000 MT for the processing plant, this translates into utilisation rates of approximately 43% and 33%, respectively.

The assets were acquired during the financial period and were therefore not operated for the full reporting period. Management expects utilisation rates to increase progressively as biological assets mature and operational efficiencies are realised.

(b) Based on current operating assumptions, when does the Group expect these assets to become free cash flow positive and begin contributing meaningfully towards debt servicing?

Answer:

Based on current operating assumptions, management expects the acquired assets to contribute positively to operating cash flow as utilisation levels continue to improve. The Group recorded positive net cash generated from operating activities of RM7.43 million in Q1 2026, indicating that the acquired assets are contributing to the Group's operational performance.

As production volumes increase and operational efficiencies are further optimised, management expects these assets to make a progressively more meaningful contribution towards the Group's cash generation and debt servicing capabilities.

3. The Group's cash and bank balances declined sharply to RM9.4 million, while borrowings increased significantly to RM324.4 million (FY2024: RM109.9 million). Additionally, annual interest paid rose to RM19.0 million. (pages 23, 24 and 31 of AR 2025 Part 3)

(a) What is the Group's current average monthly operating cash burn rate and interest servicing requirement?

Answer:

During the 18-month financial period ended 31 December 2025, the Group recorded an average monthly operating cash burn of approximately RM6.73 million. Annual interest expenses amounted to RM19.0 million, or approximately RM1.58 million per month.

However, operating cash flow improved significantly in Q1 2026. For the three-month financial period ended 31 March 2026, the Group generated positive net cash from operating activities of RM7.43 million for the quarter. After accounting for interest expenses of approximately RM4.5 million, the Group recorded a net cash surplus of approximately RM2.93 million.

As a result, the Group transitioned from a period of operating cash burn to one of positive operating cash generation.

(b) Based on existing cash resources and available banking facilities, how many months of operational runway does management believe the Group has without requiring additional external financing?

Answer:

Given the positive operating cash flow generated in Q1'2026, management believes the Group is no longer operating under a cash burn scenario as reflected in FYP2025. Operational cash requirements are currently being supported by internally generated cash flows.

Accordingly, runway should not be assessed solely based on the RM9.4 million cash balance as at 31 December 2025 but also taking into consideration the Group's ongoing operating cash generation and available banking facilities.

(c) What are the Group's key banking covenants and current covenant headroom?

Answer:

As at the latest practicable date, the Group remains in compliance with all banking covenant requirements and has not experienced any covenant breaches or events of default under its financing facilities.

The Group's net gearing ratio stood at approximately 0.52 times, which management considers to be at a manageable level and well within the Group's financing parameters. Based on its current capital structure, operating cash flow performance and ongoing compliance with banking covenants, management believes that the Group's leverage position remains prudent and within acceptable levels.

4. The Group has committed substantial capital of RM150 million towards the PRC food processing project, including RM67 million in capital work-in progress and RM83.5 million in advance payments. (page 16 of AR 2025 Part 3)

   (a) What is the current completion status and expected commercial commencement date of the PRC food processing facility?

   Answer:

   The PRC food processing facility was completed in April 2026 and is currently undergoing testing and commissioning. Certain processing flows may require further adjustments or alterations. The Group is targeting commercial commencement in July 2026.

   (b) How much additional capex and working capital will still be required before the facility becomes fully operational?

   Answer:

   The Group expects that an additional approximately up to RM40 million will be required as working capital for operations before the facility becomes fully operational.

   (c) Given the Group's tighter liquidity position, does management foresee any need for further equity fundraising or external financing to complete the project?

   Answer:

   To be funded through internal resources and external financing at this juncture.

Sustainability Matters

5. Diesel remains a significant operating input and source of Scope 1 emissions, with consumption reaching 406,000 litres in FPE2025. (page 36 of AR 2025)

   (a) Which operations account for the largest share of diesel consumption (e.g., pond operations, processing or logistics)?

   Answer:

   The largest diesel consumption comes from pond operations and the processing plant. Specifically, consumption is split at an approximate ratio of 80%: 20%, with pond operations accounting for about 80% of total diesel use, while the processing plant accounts for about 20%.

(b) Is the Group evaluating alternatives such as solar-powered pond systems, electrification or biodiesel blends for selected operations?

Answer:

Yes. The Group is evaluating alternative energy and fuel options to reduce diesel dependence and Scope 1 emissions. It's included solar-powered systems for pond operations and the processing plant. In relation to solar adoption, during the financial period, the Group has already entered a contract with a solar supplier and has made the required deposit payment, marking an initial step toward implementation. Adoption of the remaining initiatives is being considered in a phased manner, considering technical suitability, cost implications, and operational reliability.

Upon completion of the reading of the questions raised by MSWG and the Board's responses thereto, the Chairman proceeded with the business set out in the Notice of the Meeting.

1. AUDITED FINANCIAL STATEMENTS [AFS] FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025 [FPE 31 DECEMBER 2025] TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Chairman informed that pursuant to Section 340(1) (a) of the Companies Act 2016 [CA 2016], it was not required that the AFS be formally approved and therefore the first item of the Agenda was meant for discussion only and was not put forward for voting.

2. PAYMENT OF DIRECTORS' FEES FROM THE CONCLUSION OF THE 20TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM FOR:

(i) RM3,500 PER MONTH FOR THE NON-EXECUTIVE MEMBERS OF THE BOARD; AND
(ii) RM1,000 PER MONTH FOR THE CHAIRMAN OF THE AUDIT AND RISK MANAGEMENT COMMITTEE [ARMC];

(EACH OF THE FOREGOING PAYMENTS BEING EXCLUSIVE OF THE OTHER)

Ordinary Resolution 1 on the proposed payment of Directors' fees from the conclusion of the 20th AGM until the conclusion of the next AGM for:

(i) RM3,500 per month for the Non-Executive Members of the Board; and
(ii) RM1,000 per month for the Chairman of the ARMC.

(each of the foregoing payments being exclusive of the other).

The Chairman closed the Agenda 2 and proceeded with the next Agenda.

3. PAYMENT OF DAILY MEETING ATTENDANCE ALLOWANCE OF RM500 TO THE NON-EXECUTIVE DIRECTORS FROM THE CONCLUSION OF THE 20TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM

Ordinary Resolution 2 on the proposed payment of daily meeting attendance allowance of RM500 to the Non-Executive Directors for the period from the conclusion of the 20th AGM until the conclusion of the next AGM.

The Chairman closed the Agenda 3 and proceeded with the next Agenda.

4. RE-ELECTION OF DIRECTORS WHO RETIRES PURSUANT TO ARTICLE 106 OF THE COMPANY'S CONSTITUTION

(i) RE-ELECTION OF MR. YEOH WOOI KIA [MR. YEOH]

Ordinary Resolution 3 on the proposed re-election of Mr. Yeoh as Director of the Company. Mr. Yeoh had offered himself for re-election as Director of the Company.

(ii) RE-ELECTION OF MR. COLLIN GOONTING A/L O.S. GOONTING [MR. COLLIN]

Ordinary Resolution 4 on the proposed re-election of Mr. Collin as Director of the Company. Mr. Collin had offered himself for re-election as Director of the Company.

The Chairman informed the Meeting that Mr. Melvin Lim Chun Woei had resigned as a Director of the Company on 30 April 2026.

The Chairman closed the Agenda 4 and proceeded with the next Agenda.

5. RE-APPOINTMENT OF MESSRS. MORISON LC PLT [MORISON] AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2026 [FYE 31 DECEMBER 2026] AT SUCH REMUNERATION TO BE DETERMINED BY THE DIRECTORS

Ordinary Resolution 5 on the proposed re-appointment of Morison as auditors of the Company for the FYE 31 December 2026 at such remuneration to be determined by the Directors.

The Chairman informed the Meeting that Morison had indicated their willingness to accept the re-appointment.

A representative from Morison, Mr. Eric Lim Hoe Kuan introduced himself to the shareholders.

The Chairman closed the Agenda 5 and proceeded with the next Agenda.

6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE CA 2016 [PROPOSED GENERAL MANDATE]

The Chairman informed that the **Ordinary Resolution 6** was tabled for the shareholders' approval, as follows:

"**THAT** subject always to Sections 75 and 76 of the Act, the Constitution, the ACE Market Listing Requirements [AMLR] of Bursa Malaysia Securities Berhad [Bursa Securities] and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and 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 to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the next AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 52 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act 2016.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

The Chairman closed the Agenda 6 and proceeded with the next Agenda.

7. PROPOSED SHARE BUY-BACK AUTHORITY FOR PURCHASE OF ITS OWN ORDINARY SHARES [PROPOSED SHARE BUY-BACK]

The Chairman informed that the **Ordinary Resolution 7** was tabled for the shareholders' approval, as follows:

"**THAT** subject to Section 127 of the Act, the Constitution of the Company, the AMLR of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approval of all relevant governmental and/or regulatory authorities, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:

(a) the aggregate number of ordinary shares to be purchased and/ or held by the Company shall not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(b) the maximum funds to be allocated by the Company for the Proposed Share Buy-back shall not exceed the aggregate amount of the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

(i) cancel all the shares so purchased; and/or
(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(a) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

The Chairman closed the Agenda 7 and proceeded with the next Agenda.

8. ANY OTHER BUSINESS

The Chairman, with the confirmation from the Company Secretary informed that the Company did not receive any notice for transaction of any other business at the Meeting.

The Chairman then proceeded with the Questions and Answers session for the Board and Management to deal with the question(s) that had been submitted by the Shareholder(s).

The following questions were raised by the Corporate Representative, and the responses were provided by the Board and Management:

Question 1

Explain the reason for the huge increase in the Group's trade receivables.

Answer:

The Chairman explained that the increase in trade receivables was mainly attributable to the substantial growth in the Group's sales turnover during the financial period. Revenue increased from approximately RM305 million in FYE 30 June 2024 to RM519 million in FPE 31 December 2025., with the normalised increase in sales amounting to approximately RM100 million. The Chairman further explained that collections had slowed during the financial period but improved significantly after the financial period ended. Consequently, the Group's trade receivables had reduced substantially in the first quarter of 2026 following the receipt of payments from customers.

Question 2

Following the impairment of HXOF, what assurance the Management could provide that other major assets, particularly the Group's trade receivables of approximately RM300 million, would not face similar impairment risks.

Answer:

In response, the Chairman informed that the Group continuously reassesses customers with significant trading balances by reviewing their financial position, repayment history and overall creditworthiness on a regular basis. The Chairman emphasised that greater focus had been placed on collection efforts before extending further credit facilities to customers.

In addition, the Group had engaged external credit assessment agencies, including Credit Tip-Off Service [CTOS], to conduct credit checks and obtain independent assessments of customers' credit profiles and payment records. These measures were intended to strengthen the Group's credit risk management and minimise potential impairment risks.

<u>Question 3</u>

Whether any of the Group's borrowings would require refinancing within the next 12 to 24 months and whether any refinancing arrangements had been secured.

Answer:

The Chairman replied that none of the Group's borrowings are due for refinancing within the next 12 months, and accordingly, no refinancing arrangements are presently required.

There being no further questions, the Chairman thanked the shareholder for the questions and responses. The Chairman reminded shareholders that voting had been open since the commencement of the meeting and invited all shareholders and proxies who had not yet voted to submit their votes before the poll was closed.

As there were no further queries or questions raised by shareholders, the Chairman then proceeded to brief the Meeting on the polling process and then adjourned the Meeting at 9.45 a.m. to allow the shareholders to cast their vote on the resolutions for the AGM.

The Meeting resumed at 10.05 a.m. and the representative of the Independent Scrutineer submitted the report of the results to the Chairman.

The results of the poll were as follows:

	Vote for			**Vote against**		
	No. of shareholders	**No. of shares**	**%**	**No. of shareholders**	**No. of shares**	**%**
Ordinary Resolution 1 To approve the payment of Directors' fees from the conclusion of the 20th AGM until the conclusion of the next AGM.	107	697,599,610	100	0	0	0
Ordinary Resolution 2 To approve the payment of daily meeting attendance allowance of RM500 to the Non-Executive Directors from the conclusion of the 20th AGM until the conclusion of the next AGM.	106	697,599,410	100	1	200	0*
Ordinary Resolution 3 To re-elect Mr. Yeoh Wooi Kia who retires as Director pursuant to Article 106 of the Company's Constitution and who has offered himself for re-election.	107	697,599,610	100	0	0	0

Ordinary Resolution 4 To re-elect Mr. Collin Goonting a/l O.S. Goonting who retires as Director pursuant to Article 106 of the Company's Constitution and who has offered himself for re-election.	106	697,599,410	100	1	200	0*
Ordinary Resolution 5 To appoint Messrs. Morison LC PLT as auditors of the Company for the financial year ending 31 December 2026 at such remuneration to be determined by the Directors.	107	697,599,610	100	0	0	0
Ordinary Resolution 6 Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.	107	697,599,610	100	0	0	0
Ordinary Resolution 7 Proposed Share Buy-back authority for Purchase of its own Ordinary Shares.	104	697,599,298	100	1	12	0*

**The percentage of voted shares for Against on the Ordinary Resolutions 2, 4 and 7 are negligible.*

The Chairman then declared that the above resolutions were carried.

TERMINATION

There being no other business to be transacted, the Meeting terminated at 10.15 a.m. with a vote of thanks to the Chair.

- Signed -
Chairman

4 June 2026