

ECA INTEGRATED SOLUTION BERHAD

[Registration No.: 202101031471 (1431771-P)]

MINUTES OF THE THIRD ANNUAL GENERAL MEETING OF ECA INTEGRATED SOLUTION BERHAD HELD VIRTUALLY FROM THE BROADCAST VENUE AT E-10-4, MEGAN AVENUE 1, 189, JALAN TUN RAZAK, 50400 KUALA LUMPUR, W.P. KUALA LUMPUR, MALAYSIA ON FRIDAY, 29 MARCH 2024 AT 9.01 A.M.

Present : Tan Sri Abd Rahman bin Mamat (*Independent Non-Executive Chairman*)
Mr. Ooi Chin Siew (*Non-Independent Executive Director*)
Mr. Chua Lye Hock (*Non-Independent Executive Director*)
Dato' Shanmughanathan A/L Vellanthurai (*Independent Non-Executive Director*)
Puan Zariner binti Ismail (*Independent Non-Executive Director*)
Puan Masleena binti Zaid (*Independent Non-Executive Director*)

In Attendance : Mr. Chin Wai Yi (*Company Secretary*)

Shareholders and Proxies participate via Remote Participation and Voting facility : As per attendance list

By Invitation : As per attendance list

1.0 CHAIRMAN

1.1 The Chairman, Tan Sri Abd Rahman bin Mamat welcomed all shareholders and guests to the Third Annual General Meeting (“**3rd AGM**”) of the Company.

1.2 The Chairman thereafter informed the meeting that the members of the Board of Directors, the Company Secretary, External Auditors and Senior Management were attending the meeting virtually. He then introduced the Board members to the shareholders.

2.0 QUORUM

2.1 The Chairman informed that the quorum requirement had been met at the start of the meeting and called the meeting to order.

3.0 NOTICE OF MEETING

3.1 The notice convening the meeting, having been circulated to all members of the Company within the prescribed period, was taken as read.

4.0 POLLING

4.1 The Chairman advised that pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 3rd AGM must be voted by poll.

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- 4.2 The Chairman informed the Company had appointed Digerati Technologies Sdn. Bhd. as Poll Administrator to conduct the poll voting process and TGS TW PLT as the Independent Scrutineer to verify the poll results.

5.0 FINANCIAL PERFORMANCE AND BUSINESS UPDATES

- 5.1 At the invitation of the Chairman, Mr. Wong Kah Yeong, the Chief Financial Officer of the Company, presented the financial performance and business updates on the Company and its subsidiary (collectively referred to as “**the Group**”).

6.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS’ AND AUDITORS’ THEREON

- 6.1 The Audited Financial Statements of the Company for the financial year ended 31 October 2023 together with the Directors’ and the Auditors’ Reports thereon which had been previously circulated to all shareholders were laid at the meeting for discussion.

- 6.2 The Chairman informed that the Audited Financial Statements for the financial year ended 31 October 2023 were meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 did not require a formal approval from shareholders of the Company. Therefore, the item was not put forward for voting.

- 6.3 The Chairman then proceeded with the resolutions set in the notice of the AGM.

7.0 ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – MR. OOI CHIN SIEW

- 7.1 The Chairman informed that in accordance to Clause 95 of the Constitution of the Company, Mr. Ooi Chin Siew retired from the Board and being eligible, offered himself for re-election. The Chairman then put the motion to the meeting for consideration.

8.0 ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – MR. CHUA LYE HOCK

- 8.1 The Chairman informed that in accordance with Clause 95 of the Constitution of the Company, Mr. Chua Lye Hock retired from the Board and being eligible, offered himself for re-election. The Chairman then put the motion to the meeting for consideration.

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9.0 ORDINARY RESOLUTION 3
DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES AMOUNTING TO AN AGGREGATE AMOUNT OF RM400,000.00 PER ANNUM UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

9.1 The Chairman informed that ordinary resolution 3 of the agenda was to approve the payment of the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries amounting to an aggregate amount of RM400,000.00 per annum until the next Annual General Meeting of the Company.

9.2 The interested Directors have abstained and would continue to abstain from all deliberations and voting on the resolution.

9.3 The Chairman then put the motion to the meeting for consideration.

10.0 ORDINARY RESOLUTION 4
RE-APPOINTMENT OF MESSRS KRESTON JOHN & GAN AS AUDITORS OF THE COMPANY

10.1 The Chairman informed that Ordinary Resolution 4 was to approve the re-appointment of Messrs Kreston John & Gan as Auditors of the Company and to authorise the Directors to fix their remuneration. The Chairman then put the motion to the meeting for consideration.

11.0 ORDINARY RESOLUTION 5
AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS

11.1 The Chairman moved on to Ordinary Resolution 5 to consider and if thought fit, pass a special resolution to renew the general mandate from shareholders to authorise the Directors to issue an aggregate number of shares not exceeding ten per cent (10%) of the total number of issued shares capital of the Company pursuant to Sections 75 and 76 of the Companies Act 2016. The Chairman then put the motion to the meeting for consideration.

12.0 ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

12.1 The Chairman informed that Ordinary Resolution 6 was on the Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature, details on the Proposed Renewal of Shareholders' Mandate were set out in the Circular to shareholders dated 29 February 2024.

12.2 The related parties who were deemed interested in the Proposed Renewal of Shareholders Mandate have abstained and would continue to abstain from all deliberations and voting on the resolutions.

12.3 The Chairman then put the motion of the resolution to the meeting for consideration.

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13.0 ANY OTHER BUSINESS

13.1 The Chairman informed that there was no other business to be transacted of which due notice had been given in accordance with the Constitution of the Company and the Companies Act 2016.

14.0 QUESTION AND ANSWER (“Q&A”) SESSION

14.1 After tabling the resolutions set out in the notice of the 3rd AGM, the Chairman then invited the Executive Directors and Chief Financial Officer to address the questions submitted prior and during the 3rd AGM by the shareholders. Questions that could not be addressed during the Q&A session due to time constraint would be posted on the Company’s website.

14.2 The Q&A session marked as “Appendix A” and attached hereto, shall form part of these minutes.

14.3 The Chairman further conveyed that in his capacity as Chairman of the meeting, he had been appointed as proxy by shareholders and would be voting in accordance with their instructions.

14.4 The Chairman declared the polling closed at 9.40 a.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 9.50 a.m. for the declaration of the results of the poll.

**15.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – MR. OOI CHIN SIEW**

15.1 The Ordinary Resolution 1 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
304,596,680	99.9639	110,000	0.0361

15.2 Based on the above result, the Chairman declared that the Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:

15.3 That Mr. Ooi Chin Siew who retired pursuant to Clause 95 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.

**16.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – MR. CHUA LYE HOCK**

16.1 The Ordinary Resolution 2 was voted by poll and the results of the poll were present to the meeting as follows:

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Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
304,613,680	99.9639	110,000	0.0361

16.2 Based on the above result, the Chairman declared that the Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:

16.3 That Mr. Chua Lye Hock who retired pursuant to Clause 95 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.

**17.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 3
PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES AMOUNTING TO RM400,000.00 PER ANNUM UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

17.1 The Ordinary Resolution 3 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
303,866,176	99.9567	131,504	0.0433

17.2 Based on the above result, the Chairman declared that the Ordinary Resolution 3 was carried. Accordingly, it was RESOLVED:

17.3 That the payment of the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM400,000.00 per annum until the next Annual General Meeting of the Company is hereby approved for payment.

**18.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 4
RE-APPOINTMENT OF MESSRS KRESTON JOHN & GAN AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION.**

18.1 The Ordinary Resolution 4 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
304,723,680	100.0000	0	0.0000

18.2 Based on the above result, the Chairman declared that the Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:

18.3 That Messrs Kreston John & Gan be and is hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors are hereby authorised to fix their remuneration.

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**19.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 5
 AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR
 THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS**

19.1 The Ordinary Resolution 5 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
304,574,976	99.9512	148,704	0.0488

19.2 Based on the above result, the Chairman declared that the Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:

19.3 That pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors 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 issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

19.4 That pursuant to Section 85 of the Companies Act 2016, 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 Company's shares arising from any issuance of new Company's shares pursuant to Sections 75 and 76 of the Companies Act 2016.

19.5 That the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

**20.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 6
 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

20.1 The Ordinary Resolution 6 was voted by poll and the results of the poll were present to the meeting as follows:

Votes For		Votes Against	
No. of Votes	%	No. of Votes	%
65,495,504	99.7996	131,500	0.2004

20.2 Based on the above result, the Chairman declared that the Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:

20.3 That the Proposed Renewal of Shareholders' Mandate, details of the proposal as set out in the Circular to shareholders dated 29 February 2024 be and is hereby approved.

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21.0 CLOSURE OF MEETING

21.1 There being no other business, the Chairman thanked those present for their attendance and thanked shareholders for the continuous support to the Company. He declared that the 3rd AGM closed at 9.55 a.m.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line and a vertical stroke, ending in a small dot.

CHAIRMAN

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Appendix A

Part I – Questions submitted electronically in advanced and during the 3rd AGM by the Shareholders

No.	Questions	Answers
1.	What is the expected financial performance for 2024?	<p>In light of the challenging operating environment, most of the semiconductor companies have opted for a wait-and-see approach regarding Capital Expenditure.</p> <p>The Senior Management together with the Board of Directors are working diligently and closely with the customers to follow up on the prospective orders. It is anticipated that the financial performance would rebound in the second half of 2024.</p>
2.	What is the project tender value (RM) up to date still in awarding process from client?	<p>The Group's current tender value stands at RM20.0 million, comprising RM9.0 million from the Integrated Production Systems division and RM11.0 million from the Standalone Automated Equipment division. Nevertheless, the value was not fixed. It is expected to increase as additional tenders are initiated in line with the gradual recovery in semiconductor industry.</p>
3.	Will the Group be declaring dividend in the near term?	<p>The dividend distribution is dependent on the results of the Group's operation, cash balances, working capital requirements and expansion needs. With the current challenging operating environment, the Group is prioritizing cash conservation to ensure the stability of the Group.</p>
4.	Would door gift be provided to the participants whom have attended the AGM?	<p>The Group does not have any plans to provide door gift to participants for the 3rd AGM.</p>
5.	What is the current order book of the Group?	<p>The Group's book orders to bill ratio stands at less than one (1). This reflects the cautious market sentiment prevailing, with many global semiconductor companies adopting a wait-and-see approach. The management expects the situation will be improved gradually in the near future.</p>
6.	Any new customer in the Group's pipeline?	<p>The management is constantly maintaining discussion with potential customers. The Group secures new customers annually and continues to receive repeat orders from existing customers.</p>

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No.	Questions	Answers
7.	Is the Group involved directly or indirectly in Artificial Intelligence (“AI”)?	<p>The Group is not directly involved in the business of AI but focuses on automation intelligence. Nevertheless, some of the Group’s customers manufacture memory chips utilizing AI technology. The management is currently discussing with the customers on the potential assistance with automation equipment needs.</p> <p>Certain aspects of AI are integrated into our machinery as it has features such as machine learning for object recognition and AI learning capabilities.</p>
8.	Any revenue contribution from Factory Automation in FY2023?	<p>Factory Automation or Smart Factory is a new solution offered by the Group and it is new to the market. As such, the contribution is not material in financial year 2023.</p> <p>Customers will need time to understand and adopt the new solution gradually.</p>
9.	What is the rationale for the Group to obtain a term loan despite being in a cash positive position.	<p>This was a strategic decision undertaken by management in view of some specific project requirements outlined in the business plan.</p> <p>This strategy enables the Group to leverage financial flexibility while maintaining cash reserves for working capital and ensuring liquidity for unforeseen circumstances.</p>
10.	What is the rationale for the decrease in revenue for the export segment to Europe?	<p>The Group export business to Europe is on project basis. Therefore, there would be fluctuation in contribution from geographical market from time to time depending on delivery destination specified by the customers.</p>
11.	In line with ongoing challenging economic environment, kindly provide update on the latest business updates such as the progress of the bid for IGBT full range assembly & testing solution project.	<p>Currently, the Group have considerable number of IGBT solutions available.</p> <p>The management observed that there are some sold-out instances in the electric vehicle segments and would be focusing on developing and enhancing the Automated Test Equipment project. Meanwhile the IGBT sector has been in a soft market condition.</p>

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No.	Questions	Answers
12.	Would the Group consider implementing bonus issue exercise to reward investors?	For corporate exercise, the Board will always deliberate the merits of the proposal in consultation with our sponsor and adviser. Should the Board decided on any exercise after due consideration, an announcement will be made to Bursa Malaysia Securities Berhad accordingly.
13.	What is the progress of the expansion into Aerospace IPS production line?	<p>The management is in the midst of discussion with the customers on the process flow and mechanical design discussion on the IPS production line.</p> <p>The management is expecting a better visibility on the IPS production line in the second half of the year.</p>
14.	Why is the Company's share price decreasing and whether there is any plan undertake a share buyback exercise?	<p>The management is not in the position to comment the share price of the Company.</p> <p>Notwithstanding the above, management will notify the shareholders via announcement in Bursa Malaysia Securities Berhad in the event the Company undertakes a share buyback exercise.</p>

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Part II – Questions submitted electronically by the Shareholders but not answered during the AGM

No.	Questions	Answers
1.	What is the future outlook of the Group?	As a manufacturing automation solutions provider, ECA's long term outlook remains bright as the world continues push forward towards digitalisation and automation. However, in the near term, the semiconductor industry experienced slowdown which in turn, affected our performance. We expect second half of 2024 results to be better than first half of 2024 performance on the back of the anticipated recovery in semiconductor industry.
2.	Are there any orders in relation to automated optical inspection (“AOI”) solutions?	We are currently in advanced stage of discussions with our customers and barring unforeseen circumstances, we expect to receive some orders for AOI solutions in the near future.
3.	How much is the Research & Development (“R&D”) expense for FY2023?	The Group have Design and Development (“D&D”) in place of R&D. The Management do not specifically track D&D expenses as our engineers and technicians are involved in both production and D&D activities. Our D&D expenses are mostly in the form of salaries and are charged out in the Profit & Loss Account.
4.	Please provide us with the industry breakdown for the products sold.	For FY2023, about 97% of our revenue was derived from semiconductor (including automotive) and consumer electronics industries.
5.	How soon can we expect the recovery in order from customers?	The Group is constantly in discussions with customers. The management expect the recovery in orders to pick up pace towards the second half of the 2024.

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No.	Questions	Answers
6.	May the management share the outlook on the automotive and semiconductor sector?	<p>The Semiconductor Industry Association forecasts sales to grow 13% in 2024. Over the long term, demand for semiconductor components will only continue to increase with the advent of artificial intelligence and rising use of electronic devices, including electric vehicles. Even in the conventional internal combustion engine vehicles, use of sensors and electronic components are on the rise too.</p> <p>In the local scene, Malaysia stands to benefit from increased foreign direct investments aimed at setting up new plants, which in turn will drive demand for factory automation solutions the Group's offer.</p>
7.	What is the management's opinion in relation to the entry of a new semiconductor company in Klang?	<p>There will always be companies entering or existing the industry. For us, we focus on serving the needs of our customers, with whom we have had long relationships; constantly improving our capabilities and ensuring we stay at the forefront of new technology.</p>
8.	What is the Group's strength and advantage over its competitors?	<p>ECA's strengths include our strong capabilities to customize our solutions to meet customers' requirements. Our team of engineers are agile and nimble, an attribute that larger solutions provider may not necessarily have. Meanwhile, our CEO, COO and Head of Design and Development each has more than 30 years of experience in machine design and engineering-related field. We have an established track record of delivering high quality solutions to our clientele which consists of multinational companies.</p> <p>In terms of competition, we have always competed with peers at the international level. The bidder with the best solutions and most competitive price would secure the job. Thus far, we have been able to secure jobs from new customers, as well as repeat orders from existing orders, a testimony to our capabilities. The recent slowdown in our performance mirrors the overall lull in the industry, and not due to any competency issues.</p>