

AURO HOLDINGS BERHAD

[Registration No. 199901020576 (495476-M)]

(Incorporated in Malaysia)

MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING ("25th AGM") OF AURO HOLDINGS BERHAD ("AURO" OR "THE COMPANY") CONDUCTED PHYSICALLY AT LEVEL 1, FUNCTION ROOM 2, KUALA LUMPUR GOLF & COUNTRY CLUB 10, JALAN 1/70D, OFF JALAN BUKIT KIARA, 60000 KUALA LUMPUR ON WEDNESDAY, 27 AUGUST 2025 AT 10.30 A.M.

Present:

Directors

1. Dato' Tan Lik Houe (Non-Independent Non-Executive Chairman)
2. Ms Tan Jyy Yeen (Executive Director)
3. Mr. Tan Wye Chuan (Executive Director)
4. Dato' Yeo Chai Poh (Independent Non-Executive Director)
5. Mr. Lim Tock Ooi (Independent Non-Executive Director)

Company Secretary

1. Ms Tan Lay Khoon

Shareholders/ Proxies

As per the Attendance List

1. INTRODUCTION

- 1.1 As agreed by the Directors, Mr. Tan Wye Chuan ("the Chairman") presided at the meeting and welcomed the shareholders and proxies ("Members") to the 25th AGM of the Company.
- 1.2 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 10.30 a.m.
- 1.3 The Chairman introduced the Directors and Company Secretary present. He drew attention to some housekeeping matters, including the manner of posing questions and poll voting, which would be conducted after completion of deliberations of all agenda items for the five (5) resolutions in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Members were informed that Aldpro Corporate Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process, whilst CSC Securities Services Sdn. Bhd. was appointed as the Scrutineers to verify the poll results.
- 1.4 With the consent of the meeting, the notice convening the 25th AGM having been circulated within the prescribed period was taken as read.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

- 2.1 The Chairman informed that the audited financial statements in respect of the financial year ended 28 February 2025 ("Audited Financial Statements") was meant for discussion only, and therefore, it would not be put forward for voting, in accordance with Section 340(1)(a) of the Companies Act, 2016.

2.2 The Chairman also informed that a letter dated 15 August 2025 was received by the Company from Minority Shareholders Watch Group ("MSWG"). The MSWG's questions and Company's responses were displayed during the meeting for the shareholders' information, which a copy of was annexed hereto as "Appendix A".

2.3 Thereafter, the Chairman welcomed questions from the Members in respect of the Audited Financial Statements and informed that the question shall be addressed during the Q&A session later. The Chairman then proceeded with the next agenda of the meeting.

3. ORDINARY RESOLUTION 1

TO RE-ELECT MS. TAN JYY YEEN WHO RETIRES PURSUANT TO CLAUSE 115 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, HAS OFFERED HERSELF FOR RE-ELECTION

3.1 The Chairman informed that the next agenda was to re-elect Ms. Tan Jyy Yeen who retires pursuant to Clause 115 of the Company's Constitution and being eligible, had offered herself for re-election.

3.2 The Chairman informed the members that any questions relating to this agenda item would be addressed during the Q&A session later. The Chairman then proceeded with the next agenda item.

4. ORDINARY RESOLUTION 2

TO RE-ELECT DATO' YEO CHAI POH WHO RETIRES PURSUANT TO CLAUSE 115 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION

4.1 The Chairman informed that the agenda was to re-elect Dato' Yeo Chai Poh, who retires pursuant to Clause 115 of the Company's Constitution and who being eligible, has offered himself for re-election.

4.2 The Chairman informed the members that any questions relating to this agenda item would be addressed during the Q&A session later. The Chairman then proceeded with the next agenda item.

5. ORDINARY RESOLUTION 3

TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM400,000 FOR THE FINANCIAL YEAR ENDING 28 FEBRUARY 2026 TO BE DIVIDED AMONGST THE DIRECTORS IN SUCH MANNER AS THE DIRECTORS MAY DETERMINE AND OTHER BENEFITS PAYABLE OF UP TO RM150,000 FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF 25TH AGM UP TO THE CONCLUSION OF NEXT AGM OF THE COMPANY

5.1 The Chairman informed that the next agenda was to approve the payment of Directors' fees of up to RM400,000 for the financial year ending 28 February 2026 to be divided amongst the Directors in such manner as the Directors may determine and other benefits payable of up to RM150,000 for the period commencing from the conclusion of 25th AGM up to the conclusion of next AGM of the Company.

- 5.2 The Chairman informed the members that any questions relating to this agenda item would be addressed during the Q&A session later. The Chairman then proceeded with the next agenda item.

6. ORDINARY RESOLUTION 4

TO RE-APPOINT MESSRS. HLB LER LUM CHEW PLT AS AUDITORS OF THE COMPANY AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM AT SUCH REMUNERATION TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY

- 6.1 The Chairman informed that the next agenda was to re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company.
- 6.2 The Chairman then invited the Members to submit their questions and informed that the question shall be addressed during the Q&A session later. The Chairman then proceeded with the next agenda of the meeting.

7. SPECIAL BUSINESS - ORDINARY RESOLUTION 5

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016

- 7.1 The Chairman informed that the next agenda under special business was to seek approval to authorise the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.
- 7.2 The Chairman explained that this Ordinary Resolution 5 if passed, is a renewal of general mandate to empower the Directors to allot and issue shares from time to time for such purposes as the Directors in their absolute discretion consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the shares to be allotted and issued do not exceed 10% of the issued share capital of the Company for the time being.

Besides that, this proposed Resolution should also be read together with Section 85 of the Companies Act, 2016 and Clause 70 of the Company's Constitution. This proposed Resolution if passed, would also waive the statutory pre-emptive rights of the shareholders of the Company.

- 7.3 The Chairman then invited the Members to submit their questions and informed that the question shall be addressed during the Q&A session later. The Chairman then proceeded with the next agenda of the meeting.

8. ANY OTHER BUSINESS

- 8.1 The Chairman was advised by the Company Secretary that no notice had been received by the Company to transact any other business.

9.0 QUESTION AND ANSWER SESSION

- 9.1 There is no question related to the agendas received by the Company.

10. VOTING & COUNTING OF VOTES

- 10.1 The Chairman then proceeded to the polling process. The Chairman with the consent of the meeting, adjourned the meeting at 10.49a.m. for the counting and verification of poll results.

11. DECLARATION OF RESULTS

- 11.1 Upon the verification and confirmation by the Scrutineer of the poll voting results, the Chairman announced the outcome of the poll. The Chairman declared that all the Ordinary Resolutions as set out in the notice of AGM dated 30 June 2025 were duly passed. The poll results are attached hereto as "Appendix B".

12. CLOSURE

- 12.1 There being no other business, the meeting ended at 11.08 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record
of the proceedings thereat**

- Signed -

Tan Wye Chuan
Chairman

26 August 2025

Badan Pengawas Pemegang Saham Minority Berhad Level
23, Unit 23-2, Menara AIA Sentral
No.30, Jalan Sultan Ismail, 50250
Kuala Lumpur.

Dear Minority Shareholders Watch Group,

RE : 25th ANNUAL GENERAL MEETING (“AGM”) OF AURO HOLDINGS BERHAD

With reference to your letter dated 15th August 2025 received by email, the Board of Directors would like to append the following responses to the questions raised.

- 1. The Group recorded revenue of RM18.92 million for the financial year ended 28 February 2025 (FYE 2025), which was a significant increase from RM6.95 million for the previous financial year ended 29 February 2024 (FYE 2024). The F&B segment contributed about RM17.63 million or 93% of the total group revenue for FYE 2025.**

Despite higher revenue in FYE 2025, the Group recorded a loss before taxation of RM7.84million compared to RM2.01 million in FYE 2024. This increased loss was primarily attributable to one off tax penalty of RM2.35 million arising from the transfer pricing audit imposed by the Malaysian Inland Revenue and pre-operational expenses linked to the F&B expansion, including store setup costs, initial marketing investments and franchise related expenditures (Page 8 of the Annual Report (AR) 2025).

- (a) The RM2.35 million tax penalty from the transfer pricing audit covers the years 2017-2022 (Page 110 of AR 2025). What is the current status of the appeal process, and what is the expected timeline for resolution? What changes have been implemented in transfer pricing policies and documentation to prevent similar issues in future years, and has the Company sought external expert advice on transfer pricing compliance?**

Management have appointed specialized legal counsel and tax advisors to act as our representatives in all dealings with the Inland Revenue Board (IRB). Our representatives have already met with the Dispute Resolution Panel on 11 June 2025, and have subsequently submitted all required documentation to support our position. While the final resolution timeline is determined by the authorities and remains uncertain, we are committed to diligent follow-up and will promptly inform shareholders of any material developments.

Furthermore, we have already initiated a process to strengthen our internal documentation, controls, and overall compliance framework to prevent a similar issue in the future. To ensure we achieve the standard of compliance, the company is currently considering sourcing an external transfer pricing specialists. Their mandate shall be to support our documentation preparation, provide expert technical guidance, and ensure our policies are fully aligned with current regulatory expectations.

- (b) Considering that the F&B segment contributes 93% of the total revenue with higher margins (Page 8 of AR 2025), what is the latest projected timeline for the Group to achieve break-even, and what are the key financial targets management will use to measure progress? What specific approaches will management implement in FYE2026 to convert this F&B segment's higher revenue contribution into profitability?**

Management's internal focus is on achieving operational break-even for the Group within the next 18 to 24 months. This timeline is based on the successful execution of our plans and stable market conditions. While the Group has not yet achieved overall break-even, we are encouraged by the positive cash flow from our core F&B operations, which is a key indicator of the segment's underlying potential and a positive step toward our goal.

To measure our progress, we are tracking several key financial targets. Our primary focus is on driving sales growth in existing outlets and continuing to optimize our cost of goods sold to improve gross profit margins. We are intently monitoring our EBITDA margin as a benchmark for operational discipline and improved cost control. A critical granular metric is outlet-level profitability, where we aim to increase the number of break-even or profitable outlets. Furthermore, we are committed to reducing our operating cost ratio, which includes managing rent and manpower expenses relative to revenue.

To capitalize on the rising revenue and push our remaining outlets toward break-even, our strategy for FYE2026 will be implemented across two key areas. First, we will drive operational efficiency and cost control through supply chain optimization by centralizing procurement and negotiating bulk agreements to improve gross margins. We will also conduct menu engineering to analyze and promote high-margin products, and we will enhance our technology by leveraging POS data and digital systems to boost efficiency and reduce wastage.

Second, we will focus on enhancing brand value and customer loyalty. we will focus our marketing on online ads that directly bring customers into our outlets and ensure we get a strong return on advertisement spent. Additionally, we will be launching a customer loyalty program designed to increase repeat business and improve customer lifetime value. We are confident that this focused execution will successfully convert our strong market presence into sustainable profitability.

2. The timber division experienced a decline, generating RM1.29 million in revenue during FYE 2025 compared to RM2.14 million in the prior year, which was largely due to ongoing macroeconomic uncertainties and subdued demand in the sector. Considering all the challenges faced by the timber segment, the timber business will be downsized and overhead costs minimised (Page 8 of AR 2025).

(a) What is the timeline and process for this downsizing, and will assets be sold?

The downsizing process for the timber division is actively underway. We have taken immediate and decisive action to minimize overheads and have significantly reduced all non-essential operational expenditures. We are on track to complete this initial phase of cost-cutting by the next financial year.

Regarding our physical assets, such as land & building and machineries, a thorough review is currently in progress. The objective of this review is to determine the most financially prudent path forward for each asset. This will result in a decision to either rationalize them for use in other areas of our operations or to prepare them for sale, thereby further strengthening our financial position.

This process is designed to protect shareholder value and is fully aligned with our long-term strategic goal of focusing on our core, high-growth businesses.

(b) What is the estimated cost savings from downsizing the timber operations, and how will these savings be redirected, for instance, to support the F&B business expansion?

The primary financial goal of downsizing the timber division is to eliminate its losses and achieve a break-even position on all remaining obligations. We had made significant progress by ceasing unprofitable operations within the factory.

As a result, the freed-up capital will be directly redirected to bolster the Group's overall financial health. This improved stability and liquidity provides us with greater optionality to strategically support the continued expansion of our core F&B segment.

3. The Company raised RM7.5 million through private placements during FYE 2025, which have been fully utilised (Page 28 of AR 2025).

(a) What are the projected capital requirements for the next few years, and what funding sources are being considered?

Based on our current projections, our existing operations are self-sustaining and expected to meet our ongoing operational and maintenance capital requirements.

Our focus for external capital is therefore squarely on growth and opportunity. While we have no immediate need for significant funding, our strategy is to proactively secure resources for future expansion.

We are continuously evaluating the funding sources, which includes bank borrowings, private placements, or other financing instruments. Any decision will be rigorously assessed based on cost of capital, market conditions.

(b) With accumulated losses of RM28.3 million and negative working capital of RM8.7million (Page 77 of AR 2025), what specific cash flow improvement strategies will management implement to avoid future liquidity issues?

Management has already taken proactive steps to strengthen our cash flow and working capital position. These include,

- Tightening cost controls and improving operational efficiency across all business units to preserve cash and reduce non-essential expenditures.
- Restructuring and renegotiating supplier and vendor terms to better align with our cash conversion cycle.
- Enhancing receivables collection processes to shorten collection periods and reduce bad debt exposure for timber sides.
- Exploring strategic collaborations and new revenue streams that provide quicker returns and more consistent cash flow.
- Maintaining close relationships with key financial institutions to ensure continued support and access to short-term financing if needed.

We are confident that these strategies, combined with our focus on improving overall business performance, will put us on a more stable financial footing moving forward. Management remains fully committed to safeguarding the Group's liquidity and ensuring long-term shareholder value.

4. **Auro's Scope 1 emissions increased to 1,435.35 tCO₂e (FYE 2024: 868.76 tCO₂e), Scope 2 to 680.18 tCO₂e (FYE 2024: 67.77 tCO₂e), and Scope 3 to 13,106.92 (FYE 2024: 5.4 tCO₂e) (Page 45 of AR 2025).**

Does the Company plan to reduce the abovementioned emissions in each category in the next few years? If so, what emissions reduction targets has the Board set for 2026 and beyond, and what timeline has been established?

The Company is fully acknowledge the significant increases reported in FYE 2025, which were a direct result of our rapid expansion in the F&B segment. While this growth is a positive sign for the company, we recognize our responsibility to manage its environmental footprint.

For Scope 1, We will implement a strict fleet maintenance schedule to ensure all equipment are running at peak fuel efficiency, directly reducing diesel consumption.

For Scope 2, We are identifying high-consumption outlets and equipment. We are developing a plan to systematically retrofit lighting with high-efficiency LEDs and explore energy-efficient appliances to lower our energy demand.

For Scope 3, We are enhancing our virtual meeting policy to reduce non-essential travel. For essential travel, we will implement a preferred policy for airlines and transportation providers with recognized carbon offset or reduction programs.

Our immediate and primary focus for FY2026 is to halt the year-on-year growth of our emissions intensity. We are committed to providing a detailed update on our progress in annual report.

5. **In FYE 2025, total energy consumption increased to 897.34 MWh (FYE 2024: 84.91 MWh) as Auro's business operations expanded (Page 45 of AR 2025). Considering the significant increase in energy consumption, what energy efficiency measures and renewable energy solutions is the Group considering to decouple energy use from business growth?**

We fully recognize the significant rise in energy consumption aligned with our business expansion. To decouple energy use from growth, we are implementing a clear strategy focused first on efficiency measures. This includes conducting detailed energy audits at high-consumption outlets to optimize kitchen, refrigeration, and lighting systems, with a plan to systematically retrofit the lighting with high-efficiency LEDs. Furthermore, we are launching internal staff training programs to instill energy-saving practices. Building on this efficiency foundation, we are exploring the integration of renewable energy, including rooftop solar installations at suitable locations to generate clean power and mitigate long-term energy costs. Our immediate objective is to stabilize our energy consumption intensity, and we are committed to providing transparent updates on our progress in future sustainability reports

The questions and responses will also be presented to shareholders at the forthcoming AGM to be held on 27th August 2025.

If there are any further clarifications, please do not hesitate to get in touch with us.

Thank you.

Yours sincerely,
For Auro Holdings Berhad

A handwritten signature in black ink, appearing to read 'Tan Jyy Yeen', with a long horizontal stroke extending to the right.

Tan Jyy Yeen
Executive Director

AURO

Holdings
Berhad

AURO HOLDINGS BERHAD (199901020576 (495476-M))
TWENTY-FIFTH ANNUAL GENERAL MEETING ("25TH AGM")
LEVEL 1, FUNCTION ROOM 2, KUALA LUMPUR GOLF & COUNTRY CLUB,
KUALA LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR, MALAYSIA.
WEDNESDAY, 27 AUGUST 2025 AT 10:30 AM

10, JALAN 1170D, OFF JALAN BUKIT KIARA 60000



RESULT ON POLL VOTING

RESULT ON POLL VOTING

RESOLUTION	VOTED	CDS ACCOUNTS	NO. OF SHARES / UNITS	NO. OF SHARES / UNITS	% OF SHARES / UNITS
<u>ORDINARY RESOLUTION 1</u> TO RE-ELECT MS TAN JYY YEEN WHO RETIRES PURSUANT TO CLAUSE 115 OF THE COMPANY'S CONSTITUTION.	FOR	38	411,508,189	100.000000	
	AGAINST	0	0	0.000000	
<u>ORDINARY RESOLUTION 2</u> TO RE-ELECT DATO' YEO CHAI POH WHO RETIRES PURSUANT TO CLAUSE 115 OF THE COMPANY'S CONSTITUTION.	FOR	38	411,508,189	100.000000	
	AGAINST	0	0	0.000000	
<u>ORDINARY RESOLUTION 3</u> TO APPROVE THE PAYMENT OF DIRECTORS FEES OF UP TO RM400,000 FOR THE FINANCIAL YEAR ENDING 28 FEBRUARY 2026 TO BE DIVIDED AMONGST THE DIRECTORS IN SUCH MANNER AS THE DIRECTORS MAY DETERMINE AND OTHER BENEFITS PAYABLE OF UP TO RM150,000 FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF 25TH AGM UP TO THE CONCLUSION OF NEXT AGM OF THE COMPANY.	FOR	36	411,507,989	99.999951	
	AGAINST	2	200	0.000049	
<u>ORDINARY RESOLUTION 4</u> TO RE-APPOINT MESSRS. HLB LER LUM CHEW PLT AS AUDITORS OF THE COMPANY.	FOR	37	411,506,989	100.000000	
	AGAINST	0	0	0.000000	
<u>ORDINARY RESOLUTION 5</u> AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016.	FOR	37	411,508,089	99.999976	
	AGAINST	1	100	0.000024	