Annexure A

PRESTAR RESOURCES BERHAD
[Registration no. 198401010527 (123066-A)]
(Incorporated in Malaysia)

SUMMARY OF MATTERS DISCUSSED AT THE FORTIETH ANNUAL GENERAL MEETING ("THE MEETING") OF PRESTAR RESOURCES BERHAD ("THE COMPANY") HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON WEDNESDAY, 18 JUNE 2025 at 10:00 A.M.

Question and answer session

Question 1:

A shareholder raised the following queries:

1) The reason for the substantial decline in the Trading segment profit before income tax from RM18.8 million in 2023 to RM0.3 million in 2024, despite revenue remaining flat.

2) Despite a significant reversal of inventories written down amounting to RM19.6 million in 2023, the Manufacturing segment reported a lower profit before tax of RM1.9 million in 2023, as compared to RM9.2 million in 2024.

3) A breakdown for the revenue contribution for the Company's main products, i.e., racking systems, guardrails, and tubes, for 2024, and the volume of racking systems exported overseas.

4) The rationale behind the Company's recent share buy-back initiative.

Answer:

Dato' Toh Yew Peng ("**Dato' YP Toh**"), *Group Managing Director*, informed the Meeting that the primary reason for the sharp decline in Trading segment profit before tax was due to the drop in steel prices, which had fallen from approximately USD600 per tonne in 2023 to USD520 per tonne in 2024. While revenue remained stable, production tonnage did not show an increase, thereby impacting margins.

Dato' YP Toh further elaborated that the Company operates under two (2) core business segments, i.e., the Steel Processing Unit ("**SPU**") and the Product Manufacturing Unit ("**PMU**"), with a revenue contribution ratio of approximately 60:40 between the two (2) units.

On the Manufacturing segment's profit performance, Ms. Choy Jing Yi, *Group Financial Controller*, explained that although a substantial reversal of inventory written down was recorded in 2023, the overall operating profitability remained low for that year. In contrast, operational efficiency improved in 2024, leading to higher segment profit despite the absence of such reversals.

With regard to the revenue contribution of the main product lines, Dato' YP Toh reiterated the SPU:PMU ratio of 60:40. Mr. Toh Yew Seng, *Group Executive Director*, supplemented that export sales contributed approximately 10% of the Group's total revenue, with the bulk of revenue generated from end-product sales in the domestic market.

In relation to the share buy-back exercise, Dato' YP Toh explained that Management viewed the Company's share price as undervalued and opined that the buy-back represented a value-accretive move for shareholders. Dato' YP Toh added that the Company may consider distributing the repurchased shares back to shareholders at an appropriate time in the future.

Question 2:

A shareholder enquired whether the Company would consider collaborating with companies from China, particularly in the steel industry, given the significant market volume and presence of Chinese players.

Answer:

Dato' YP Toh responded that the Company remained open to potential discussions and collaborations. Dato' YP Toh acknowledged the increasing presence of Chinese companies in the market and stated that the Company would continue to assess such developments. Where appropriate, the Company would consider collaboration opportunities that align with its strategic objectives.

Question 3:

A shareholder raised the following queries:

1) Management's outlook on the Company's financial position for the current financial year and whether better financial results could be expected, compared to the performance recorded in the previous year.

2) Whether there were any concerns regarding the public shareholding spread, given that family members of the major shareholders hold a significant portion of the Company's shares.

Answer:

Dato' YP Toh shared Management's outlook, highlighting that ongoing geopolitical tensions and high import tariffs imposed by the United States would continue to pose economic challenges. In light of these uncertainties, the Company had taken prudent steps to maintain a strong balance sheet, including significantly reducing its borrowings in 2024 and maintaining inventory levels to remain below 2.5 months. Dato' YP Toh also noted that the Company was actively exploring investment opportunities in related businesses that could generate additional value for shareholders.

The Chairman added that while family members hold a substantial portion of the Company's shares, the Company's shares remain publicly traded and available to interested investors, and there were currently no concerns regarding the public shareholding spread.