

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

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-EIGHTH ANNUAL GENERAL MEETING OF PRESTAR RESOURCES BERHAD ("THE COMPANY") HELD ON A VIRTUAL BASIS VIA REMOTE PARTICIPATION AND VOTING FACILITIES AT THE BROADCAST VENUE AT THE MEETING ROOM OF SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON THURSDAY, 15 JUNE 2023 AT 10:00 A.M.

Question and answer session

Question 1:

Mr. Lee Mun Hoe, a shareholder, enquired on the following:

- 1) Current movement of steel prices.
- 2) Elaborate on the earning visibility of the Company.
- 3) Reason for the spike in the write-down of inventories for the financial year ended 31 December 2022 ("**FYE 2022**").
- 4) Factors attributed to the increase in the cost of sales.
- 5) Any plan to organise shareholders' engagement activities as face-to-face interactions are an integral part of the investor relations function, as they enable direct engagement with the Board members.

Answers:

Dato' Toh Yew Peng ("**Dato' YP Toh**"), *Group Managing Director*, informed that the current steel prices continue to exhibit volatility and fluctuation, primarily influenced by international supply and demand factors. The Company remains optimistic that steel prices will eventually stabilise.

In regards to earning visibility, Dato' YP Toh commented that the Company continues to grow, with the current projects in Pan Borneo Sarawak, which the Company has successfully delivered approximately 80% of the contract. Additionally, the Company is working towards several new contracts in both Sarawak and Sabah. Dato' YP Toh further added that the export of the racking system continues to grow.

Dato' YP Toh explained that the significant increase in the impairment of inventories for FYE 2022 was mainly due to the application of the Malaysian Financial Reporting Standards ("**MFRS**") requirements, which mandated the write-down of inventory to its net realisable value based on the prevailing market steel price.

Similarly, the primary cause of the increase in the cost of sales was the requirement for impairment as well as the depreciation of the Malaysian Ringgit.

On behalf of the Board of Directors of the Company ("**Board**"), Ms. Chin Mun Yee ("**Ms. Chin**"), *Company Secretary*, responded that this Meeting was held virtually at the broadcast venue without the need for physical attendance by the shareholders. The Board took note of the comment and would consider it in the future.

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(Summary of Key Matters Discussed at the Thirty-Eighth Annual General Meeting held on 15 June 2023 - cont'd)

Question 2:

Mr. Hiu Chee Keong, a shareholder, enquired whether the minimum wages imposed by the government would affect the Company.

Answer:

Dato' YP Toh informed that the minimum wages have had minimal impact on the Group as the majority of the workers have been employed by the Group for several years, and their wages had exceeded the minimum wage requirements.

Question 3:

Mr. Kow Lih Shi, a shareholder, enquired on the following:

- 1) Goodwill of the Company and its associated action plan.
- 2) Whether the business diversification has led to better returns.

Answer:

Dato' YP Toh highlighted that the Company has a strong reputation in the steel-related industry, supported by a robust supply chain and an extensive portfolio of loyal customers. Dato' YP Toh further added that the Company actively engages in corporate social responsibility initiatives, making positive contributions to society.

Dato' YP Toh commented that the Group had been focusing on steel products in the manufacturing sector as its core business. The Group would persistently improve its management control to enhance efficiency and productivity. Dato' YP Toh further added that barring unforeseen circumstances, the performance of the Group is expected to improve in the coming quarters.

Question 4:

Mr. Loke Kok Yuen, a shareholder, requested the Company to consider giving e-vouchers as a token of appreciation to the shareholders who participated remotely in this Annual General Meeting.

Answer:

On behalf of the Board, Ms. Chin informed that the Company has no plan to provide e-vouchers. The Board was of the view that the distribution of dividends would be a better way to reward all shareholders equally. However, the Board noted the request and would consider it.

Question 5:

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Mr. Chee Hong Kok, a shareholder, enquired whether the performance of the Group would improve for the remaining quarters of 2023, considering the earnings for the first quarter of 2023 have reduced by 75% as compared to the first quarter of 2022.

Answer:

Dato' YP Toh informed that due to the volatility of steel prices, the earnings for the first quarter of 2023 have reduced as compared to the same period of last year. The Group is committed to putting in place plans and strategies to improve its performance for the coming quarters.

Question 6:

Mr. Tan Kim Khuat, a shareholder, requested a printed copy of the Annual Report 2022 to be sent to his address.

Answer:

Ms. Chin acknowledged the request and informed that the Share Registrar would arrange for a copy of the Annual Report 2022 to be delivered to him as soon as possible.