

PRESTAR RESOURCES BERHAD
[Registration no. 198401010527 (123066-A)]
(Incorporated in Malaysia)
("Prestar" or "the Company")

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY DEEMED HELD WHERE THE CHAIRMAN OF THE MEETING WAS IN PETALING JAYA, SELANGOR DARUL EHSAN AND ON A FULLY VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL IN MALAYSIA ON WEDNESDAY, 21 JULY 2021 AT 10:00 A.M.

Question and answer session

The following are the questions/comments posed by the shareholders or proxies present and were adequately responded and addressed by Dato' Toh Yew Peng ("**Dato' YP Toh**"), Group Managing Director of the Company and Ms. Chua Siew Chuan ("**Ms. Chua**"), the Company Secretary:

1. Question/Comment:

Ms. Chan Lai Yin, *a shareholder*, requested the Company to distribute e-vouchers or shopping vouchers to reward the shareholders for their continuous support.

Answer:

Ms. Chua, on behalf of the Board, informed that the Board noted the request of distributing e-vouchers or shopping vouchers. However, the Board were of the view that the distribution of dividends would be a better way to reward all shareholders equally.

2. Question/Comment:

Mr. Ooi Chye Khoo, *a shareholder*, enquired on the impact of the COVID-19 pandemic on the business performance in the coming quarters.

Answer:

Ms. Chua reiterated that according to Prestar Group's financial highlights presented by Dato' YP Toh during the Meeting, a loss of RM2.6 million was recorded in the second quarter of 2020 due to the impact of the COVID-19 pandemic. Despite that, Prestar Group had achieved good results in the following quarters and its profit before tax soared to RM23.8 million in the first quarter of 2021.

Dato' YP Toh added that the operations of Prestar Group were temporarily affected by the COVID-19 pandemic. With the maximum of 60% of the workforce capacity set by the government, the Group managed to minimise the impact during both the implementation of Full Movement Control Order ("**FMCO**") and Enhanced Movement Control Order ("**EMCO**"). Given that Tashin Holdings Berhad, an associate company is able to operate with 80% workforce capacity, the Board believed that the business impact could be alleviated.

3. Question/Comment:

Mr. Ho Xi Wen, *a shareholder*, enquired on the following:-

- i) The impact of FMCO on the Group's business and to what extent;
- ii) The latest progress of the partnership with Murata Machinery, Ltd (Japan) ("**MURATA**") and whether there is a continuous order from the latter;
- iii) The increase in the average selling price of products as compared to last year and whether the Group foresees strong pricing in the future; and

(Summary of Key Matters Discussed at the Thirty-Sixth Annual General Meeting held on 21 July 2021 - cont'd)

- iv) The Group's future outlook with the presumption that without lockdowns and containment.

Answer:

- i) Ms. Chua replied that the impact of FMCO on the Group had been explained in the presentation by Dato' YP Toh and response to Question 2 above.
- ii) Dato' YP Toh responded that the partnership with MURATA is still ongoing. The Group had secured a project of approximately RM5.0 million through partnering with MURATA and would continue to collaborate with MURATA by expanding the market to countries in Southeast Asia, China and Japan. The partnership would be a long-term cooperation to maximise business growth.
- iii) Dato' YP Toh informed that the price of raw materials had increased by two-folds. Correspondingly, the product selling price had also been adjusted after taking into account the above increase. The Group anticipated a strong pricing movement resulting from the supply and demand issues and the increase in related costs.
- iv) Dato' YP Toh responded that the Group remains optimistic about its future prospects and performance in the coming years.

4. Question/Comment:

Ms. Teh Sue Wei, *a shareholder*, requested for a printed hard copy of the Company's annual report

Answer:

Ms. Chua replied that hard copy of the annual report would be sent accordingly.

5. Question/Comment:

Mr. Len Tze Kang ("**Mr. Len**"), *a shareholder*, enquired on the following:-

- The competitive advantage of the Group on its expansion to overseas compared to the local fabricators as there is a logistic cost incurred.
- The Group's plans to compete where Vietnam has the largest steel capacity in Southeast Asia and larger population.

Answer:

Dato' YP Toh responded that the competitive advantage gained by the Group was through its alliance with POSCO, which enables the Group to improve its procurement capabilities in terms of pricing and supply chain. Dato' YP Toh further added that with the collaboration with MURATA, the transformation of products into more value-added products such as automated storage and retrieval system and the provision of solutions have enabled the Group to maintain its competitive edge.

(Summary of Key Matters Discussed at the Thirty-Sixth Annual General Meeting held on 21 July 2021 - cont'd)

6. Question/Comment:

Mr. Lee Mun Hoe, *a shareholder*, suggested that future Annual General Meetings be held in location that is easily accessible via public transport.

Answer:

The suggestion was noted.

7. Question/Comment:

Mr. Len mentioned that the Management has listed mostly foreign peer or competitors in the presentation made during the Meeting and further enquired on the following:-

- i) The local competitors of each segment and the management approach or strategy of the Group positioning in the market;
- ii) Type of succession plan; and
- iii) Whether the Company hedged against the price of raw materials.

Answer:

- i) Dato' YP Toh informed that the local competitors of each segment and the competitive edge of each were outlined in his presentation during the Meeting.
- ii) Dato' YP Toh replied that the Group is currently working to develop a succession plan and have engaged professionals to assist in it.
- iii) Dato' YP Toh responded that the Group had circumvented both prices of raw materials and foreign exchange.

8. Question/Comment:

Mr. Lim Hock Mien, a shareholder, requested for a printed hard copy of the Company's annual report.

Answer:

Ms. Chua replied that hard copy of the annual report would be sent accordingly.

9. Question/Comment:

Mr. Len enquired if the corporate video is accessible online and requested for the corporate video to be shared with him.

Answer:

Ms. Chua replied that the corporate video is accessible online and would email him the relevant web link after the Meeting.

(Summary of Key Matters Discussed at the Thirty-Sixth Annual General Meeting held on 21 July 2021 - cont'd)

10. Question/Comment:

Mr. Len commended that the Group's warehouse and automation facilities are impressive and enquired for an email address to be provided to investors to submit further questions.

Answer:

Ms. Chua responded that the Company would provide him with the designated email address after the Meeting.

11. Question/Comment:

Mr. Mun Kin Hoe, a shareholder, enquired on the expected level of production capacity utilisation of the Group assuming that if it were able to operate the business as usual with 100% workforce capacity.

Answer:

Dato' YP Toh responded that under normal circumstances, the Group's expected level of production capacity utilisation could be optimised in the range of 85% to 88%, with a workforce capacity of 100%.