

CONFIDENTIAL

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
(Registration No. 197901005687 (49971-D))

MINUTES OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON TUESDAY, 23 AUGUST 2022 AT 2:30 P.M.

PRESENT:-

DIRECTORS

Dato’ Dr. Wee Hoe Soon @ Gooi Hoe Soon
- Independent Non-Executive Director and also a proxyholder

Mr Hiroaki Yano
- Managing Director (“MD”)

Ms Ranko Kume
- Executive Director (“ED”)

¹ Mr Rin Nan Yoong
- Non-Independent Non-Executive Director and also a shareholder

Mr Dominic Aw Kian-Wee (“**Mr Dominic Aw**”)
- Senior Independent Non-Executive Director

¹ En Ab. Patah bin Mohd
- Independent Non-Executive Director and also a shareholder

¹ Mr Ho Chun Foh
- Alternate Director to Mr Rin Nan Yoong

ABSENT WITH APOLOGIES

Pn Mastura binti Mansor
- Independent Non-Executive Director

IN ATTENDANCE

Ms Chan Yoke Peng	-	Company Secretary
Mr Hiroshi Sagawa	-	Chief Financial Officer
¹ Mr Dylan Tan Teck Eng	-	Messrs KPMG PLT

BY INVITATION

¹ Mr Chia Kian Cheng	-	General Director, Perstima Vietnam Co., Ltd.
¹ Mr Akira Suzuki	-	President, Perstima Philippines Inc.
Encik Rahizan bin Khalid	-	Finance Manager
Mr Oh Boon Siong	-	Deputy Finance Manager
Ms Tan Ping Sin	-	Boardroom Corporate Services Sdn. Bhd.
Ms Alice Low	-	Boardroom Corporate Services Sdn. Bhd.

Note

¹ Joined via online platform at <https://meeting.boardroomlimited.my/>

The shareholders and proxyholders (collectively referred to as “**Members**”) who attended and participated in the AGM remotely via online platform at <https://meeting.boardroomlimited.my/> are set out in the Attendee List attached and shall form an integral part of these Minutes.

CHAIRMAN

The Chairman of the Board of Directors (the “**Board**”), Dato’ Dr. Wee Hoe Soon @ Gooi Hoe Soon (“**Dato’ Dr. Chairman**”), extended a warm welcome to all Members and invitees present at the Forty-Fourth (“**44th**”) AGM of the Company held and conducted on a virtual basis through live streaming and online remote participation by using Remote Participation and Electronic Voting (“**RPEV**”) facilities, which was in compliance with Section 327 of the Companies Act 2016 and Clause 66 of the Constitution of the Company.

The registered shareholders, proxies and the corporate representatives were reminded to refrain from any forms of recording of the 44th AGM as this was a private meeting with the shareholders of the Company, of which the public was not given access.

QUORUM

The Company Secretary confirmed that a quorum was present in accordance with Clause 76 of the Company’s Constitution. With the requisite quorum being present, the AGM was called to order at 2:30 p.m..

Dato’ Dr. Chairman proceeded to introduce other Board members and the Company Secretary, who were present together with him at the Broadcast Venue.

[The rest of this page is intentionally left blank]

Dato Dr. Chairman then introduced the remaining Directors, Chief Financial Officer and the representative of Messrs KPMG PLT, the External Auditors of the Company who joined the 44th AGM remotely to the shareholders.

At this juncture, Dato Dr. Chairman extended his apology on behalf of Pn Mastura binti Mansor, the Independent Non-Executive Director of the Company, who is also the Chairperson of the Audit Committee for not being able to attend the 44th AGM.

NOTICE OF MEETING

With the consent of the Members, the Notice convening the 44th AGM having been circulated within the prescribed period was taken as read.

SUMMARY OF PROXIES FORMS AND CORPORATE REPRESENTATIVE FORM RECEIVED

As part of good governance, Dato' Dr. Chairman reported that the Company had received in total sixteen (16) proxy forms from the shareholders of the Company for a total of Forty-Four Million Seven Hundred Ninety-Three Thousand Five Hundred and Twenty (44,793,520) ordinary shares representing 34.70% of the issued shares capital of the Company.

The Company had also received one (1) corporate representative form for a total of Forty-Two Million Four Hundred Two Thousand Eight Hundred and Six (42,402,806) ordinary shares representing 32.85% of the issued shares capital of the Company.

Dato' Dr. Chairman informed the Members of their right to participate at this AGM by transmitting their questions in real time via the messaging window.

POLLING AND ADMINISTRATIVE GUIDE

Dato' Dr. Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions set out in the Notice of the AGM must be voted by poll. Pursuant to Clause 80 of the Company's Constitution, Dato' Dr. Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the 44th AGM.

Dato' Dr. Chairman also informed the Meeting that the Company had appointed Boardroom Share Registrars Sdn. Bhd. to facilitate the poll voting electronically and SKY Corporate Services Sdn. Bhd. as the Independent Scrutineers to validate the poll results.

The Meeting was informed that the voting session was available at that point in time until the closure of the voting session to be announced later. The results of the poll voting would be announced after the Scrutineer has verified the poll results.

The Meeting was then briefed on the electronic and remote poll voting process via video presentation.

After the briefing on the polling procedure, Dato' Dr. Chairman proceeded with business on the agenda and went through each of the motions set out in the Notice of the 44th AGM.

DISCUSSION ITEM

- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The Audited Financial Statements together with the Reports of the Directors and Auditors of the Company for the financial year ended 31 March 2022 (“**Audited Financial Statements**”) having been circulated to all the shareholders of the Company within the statutory period were taken as read.

Dato' Dr. Chairman informed the Meeting that this item on the agenda was meant for discussion. It would not be put to voting by shareholders as it did not require approval from the shareholders of the Company.

Dato' Dr. Chairman then informed the Meeting that the question and answer session would be opened after all the motions have been tabled. Dato' Dr. Chairman went through the remainder motions set out in the Notice of the 44th AGM.

ORDINARY RESOLUTION 1

- RE-ELECTION OF DIRECTOR – DATO' DR. WEE HOE SOON @ GOOI HOE SOON

Dato' Dr. Chairman informed the Meeting that as he is an interested party in the next item on the agenda. Dato' Dr. Chairman then handed over the Chair to Mr Dominic Aw to put forth the resolution. Mr Dominic Aw took over the Chair and put to the Meeting the resolution on the re-election of Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon as a Director of the Company.

Mr Dominic Aw informed the Meeting that the first resolution on the agenda was the re-election of Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon as a Director retiring pursuant to Clause 99 of the Constitution of the Company and being eligible, offered himself for re-election.

Mr Dominic Aw then handed the Chair back to Dato' Dr. Chairman.

[The rest of this page is intentionally left blank]

ORDINARY RESOLUTION 2

- RE-ELECTION OF DIRECTOR – MR DOMINIC AW KIAN-WEE

Dato' Dr. Chairman informed the Meeting that the second resolution on the agenda was on the re-election of Mr Dominic Aw Kian-Wee as a Director retiring pursuant to Clause 99 of the Constitution of the Company and being eligible, offered himself for re-election.

ORDINARY RESOLUTION 3

- NON-EXECUTIVE DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The third resolution on the agenda was to approve the payment of Non-Executive Directors' Fees of Ringgit Malaysia Five Hundred and Five Thousand (RM505,000) only and benefits payable to the Non-Executive Directors of Ringgit Malaysia Fifteen Thousand (RM15,000) only for the financial year ended 31 March 2022.

ORDINARY RESOLUTION 4

- BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM 1 APRIL 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY IN YEAR 2023

The next resolution on the agenda was to approve the benefits payable to the Non-Executive Directors up to an aggregate amount of Ringgit Malaysia Thirty Thousand (RM30,000) only for the period from 1 April 2022 until the next AGM of the Company in year 2023, to be paid quarterly in arrears.

ORDINARY RESOLUTION 5

- RE-APPOINTMENT OF AUDITORS

Dato' Dr. Chairman informed the Meeting that the Audit Committee and the Board of Directors have reviewed the effectiveness of Messrs KPMG PLT and had recommended their re-appointment.

Dato' Dr. Chairman further informed the Meeting that the fifth resolution on the agenda was to re-appoint the retiring Auditors, Messrs KPMG PLT, that having indicated their willingness to continue in office, as the Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Board of Directors be authorised to fix their remuneration.

[The rest of this page is intentionally left blank]

ORDINARY RESOLUTION 6

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD AND ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Dato' Dr. Chairman informed the Meeting that the next resolution on the agenda was to seek approval from the shareholders to renew the existing shareholders' mandate for the Company's recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Group and in the ordinary course of its business as set out in the Circular to Shareholders dated 25 July 2022.

Dato' Dr. Chairman further reminded the interested major shareholders namely, JFE Shoji Corporation and JFE Steel Corporation and persons connected to them, to abstain from voting on the Ordinary Resolution 6.

ORDINARY RESOLUTION 7

- AUTHORITY FOR DATO' DR. WEE HOE SOON @ GOOI HOE SOON TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR

Dato' Dr. Chairman informed the Meeting that as he is an interested party on the Ordinary Resolution 7. Dato' Dr. Chairman then handed over the Chair to Mr Dominic Aw to put forth the resolution.

Mr Dominic Aw took over the Chair and informed the Meeting that the seventh resolution was on retention of Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years.

The Company was seeking shareholders' approval through a two-tier voting process for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon to continue to act as Independent Directors of the Company until the conclusion of the next Annual General Meeting, in accordance with the Malaysian Code on Corporate Governance.

Mr Dominic Aw then handed the Chair back to Dato' Dr. Chairman.

Dato' Dr. Chairman informed the Meeting of the commencement of the question and answer session after all the resolutions had been tabled to the Meeting.

QUESTION AND ANSWER SESSION

It was noted that the Company had received questions from the Minority Shareholders Watch Group ("MSWG") before the AGM and MSWG had requested the questions and replies to be presented at the AGM for the interest of the minority shareholders. The questions raised were duly addressed by the Directors of the Company. The questions from MSWG and Members and replies are set out in Appendix I attached hereto.

After addressing the questions received, Dato' Dr. Chairman informed the Meeting of the closure of question and answer session and the Company would respond to those questions that were not taken up during the Meeting via email, if any. Those answers would also be published on the Company's website.

Dato' Dr. Chairman then declared that the Audited Financial Statements of the Company for the financial year ended 31 March 2022 had been duly tabled and received by the shareholders.

VOTING SESSION

Dato' Dr. Chairman invited the Members to cast their votes at that point in time if the Members have not submitted their votes earlier and informed that the voting session would be closed after 5 minutes.

Dato' Dr. Chairman further informed the Meeting that the outcome of the poll would be announced after the short break as it would take some time for the Independent Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 3:22 p.m. for the votes to be counted and to enable the Independent Scrutineers to tabulate the results of the poll.

The Meeting resumed at 3:37 p.m. for the declaration of the results of the poll.

POLL RESULTS

Dato' Dr. Chairman announced the results of the poll as follows:-

ORDINARY RESOLUTION 1

- RE-ELECTION OF DIRECTOR – DATO' DR. WEE HOE SOON @ GOOI HOE SOON

Ordinary Resolution 1	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon who is retiring in accordance with Clause 99 of the Constitution of the Company</i>	87,411,118	99.9717	24,709	0.0283	Carried

It was RESOLVED:-

That the retiring Director, Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 2
- RE-ELECTION OF DIRECTOR – MR DOMINIC AW KIAN-WEE

Ordinary Resolution 2	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Mr Dominic Aw Kian-Wee who is retiring in accordance with Clause 99 of the Constitution of the Company</i>	87,413,366	99.9767	20,410	0.0233	Carried

It was RESOLVED:-

That the retiring Director, Mr Dominic Aw Kian-Wee be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 3
- NON-EXECUTIVE DIRECTORS' FEES AND BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Ordinary Resolution 3	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve the Non-Executive Directors' fees of RM505,000 and benefits payable to the Non-Executive Directors of RM15,000 for the financial year ended 31 March 2022 and the payment thereof</i>	87,337,329	99.9517	42,248	0.0483	Carried

It was RESOLVED:-

That the Non-Executive Directors' fees of RM505,000 and benefits payable to the Non-Executive Directors of RM15,000 only for the financial year ended 31 March 2022 be and are hereby approved for payment to the Non-Executive Directors.

[The rest of this page is intentionally left blank]

ORDINARY RESOLUTION 4

- BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM 1 APRIL 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY IN YEAR 2023

Ordinary Resolution 4	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve the benefits payable to the Non-Executive Directors up to an aggregate amount of RM30,000 for the period from 1 April 2022 until the next Annual General Meeting of the Company in year 2023, to be paid quarterly in arrears</i>	87,342,329	99.9574	37,248	0.0426	Carried

It was RESOLVED:-

That the benefits payable to the Non-Executive Directors up to an aggregate amount of RM30,000 for the period from 1 April 2022 until the next Annual General Meeting of the Company in year 2023, to be paid quarterly in arrears be and is hereby approved.

ORDINARY RESOLUTION 5

- RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-appoint Messrs KPMG PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration</i>	87,421,098	99.9820	15,779	0.0180	Carried

It was RESOLVED:-

That the retiring Auditors, Messrs KPMG PLT, having indicated their willingness to continue in office, be and are hereby re-appointed as the Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration.

ORDINARY RESOLUTION 6

- RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD AND ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RENEWAL OF SHAREHOLDERS' MANDATE”)

Ordinary Resolution 6	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature</i>	52,059,430	99.9506	25,747	0.0494	Carried

It was RESOLVED:-

THAT, pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries (“**Perstima Group**”) be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out in Section 3.2 of the Circular to Shareholders dated 25 July 2022 with the related parties mentioned therein which are necessary for the Perstima Group’s day-to-day operations, subject further to the following:-

- (i) the transactions are in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions of the Renewal of Shareholders’ Mandate conducted during the financial year will be disclosed in the Annual Report for the said financial year,

THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by the Company in a general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Renewal of Shareholders' Mandate.

ORDINARY RESOLUTION 7

- AUTHORITY FOR DATO' DR. WEE HOE SOON @ GOOI HOE SOON TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR

Ordinary Resolution 7	VOTE FOR		VOTE AGAINST		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority for Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon to continue in office as an Independent Director of the Company</i>	42,460,006 (Tier 1)	100.0000	-	-	Carried
	44,950,162 (Tier 2)	99.9406	26,709	0.0594	Carried

It was RESOLVED:-

That Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon be and is hereby retained as an Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next Annual General Meeting.

CONCLUSION

There being no other matters, the Meeting concluded at 3:40 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- Approved -

 CHAIRMAN

PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD
(“Perstima” or the “Company”)
(Registration No. 197901005687 (49971-D))

QUESTIONS AND ANSWERS SESSION DURING THE FORTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, 23 AUGUST 2022

PART A : Questions (“Q”) from Minority Shareholders Watch Group and replies (“A”) from the Company

Operational & Financial Matters

Q1	<p>For FY2022, Perstima’s revenue increased substantially by 61.5% to RM1.34 billion from RM832.54 million. Despite recorded higher sales volume and higher selling price, its net profit decreased by 2.5% to RM50.93 million compared to RM52.22 million in previous year.</p> <p>The sharp decline in profit margin was due to the sharp increase in raw material prices, higher distribution and administration expenses. Consequently, gross profit margin and net profit margin declined to 7.19% and 3.79% respectively from 10.21% and 6.27% in the year before.</p> <p>a) Does the Group expect to face similar strong headwinds in FY2023?</p> <p>b) What is the possibility of Perstima facing further margin compression in FY2023?</p>
A1	<p>The Group expects to face similar strong headwinds in FY2023 due to unpredictable uncertainties, such as the Russia-Ukraine conflict and supply chain disruptions. Thus, the possibility of further margin compression in FY2023 could be anticipated.</p>
Q2	<p>The cost of tin mill black plate (TMBP) constitutes approximately 80% of the production cost of tinsplate and tin free steel produced by Perstima.</p> <p>With international tin price has falling from its all-time high of around \$50,000 in March 2022 to around \$23,000 currently, what is the prospect of TMBP’s price moving forwards?</p> <p>(Source: London Metal Exchange)</p>
A2	<p>TMBP price is unrelated to Tin price movement. TMBP price is based on global steel price trend.</p> <p>In terms of Tin, the recent decline of LME Tin price is subsequently being reflected in the selling price to our customers.</p>

**PART A : Questions (“Q”) from Minority Shareholders Watchdog Group
 and replies (“A”) from the Company (Cont’d)**

<p>Q3</p>	<p>About 78% (or equivalent to RM318.32 million) of Perstima’s total loans and borrowings of RM409.5 million are made up of US Dollar denominated loans.</p> <p>Generally, borrowers are expected to pay higher interest cost to service their loans and borrowings in a rising interest rate environment.</p> <p>a) What is the estimated impact on Perstima’s bottomline on the back of rising Federal Reserve interest rates, which has risen by 2.25% year-to-date?</p> <p>b) On the other hand, the Company has RM349.39 million of financial liabilities that will be due within the next 12 months from 31 March 2022 onwards (page 77 of AR2022).</p> <p>In view of Perstima’s year-on-year lower cash level of RM67 million and negative operating cashflow as of FY2022, how does the Management plan to cope with the short-term liquidity risk and the cash requirements of the Company?</p> <p>c) How likely is it that Perstima can generate positive cashflow from operating activities in FY2023?</p>
<p>A3</p>	<p>Perstima strives to reduce loans denominated in US Dollar by swapping to Ringgit currency financing. This approach will help to reduce Ringgit Dollar currency exchange risk, and further mitigate the expected US interest rate hike.</p> <p>The Group endeavours to achieve better profitability to generate positive operating cashflows.</p>
<p>Q4</p>	<p>Despite the absence of a formal dividend policy, Perstima had been declaring dividends consistently for the past few years. However, the Company did not declare any dividend in FY2022.</p> <p>a) What were the Board’s reasons for not declaring dividends in FY2022?</p> <p>b) Will the Company resume paying dividend in the near term?</p>

[The rest of this page is intentionally left blank]

PART A : Questions (“Q”) from Minority Shareholders Watchdog Group and replies (“A”) from the Company (Cont’d)

<p>A4</p>	<p>The Group strategy is to reserve funds to cater for working capital requirements and reduce Group borrowings.</p> <p>Dividend payment is subject to the discretion of the Board. The dividend pay-out takes into consideration a number of factors such as the Group’s earnings, future capital requirements, general financial condition, its distributable reserves and other factors considered relevant by the Board.</p>
<p>Q5</p>	<p>In Perstima’s AGM held in 2021, the Board said the commercial run for Perstima Philippines was expected to commence in the first half of 2022.</p> <p>As of now, the factory building in Philippines has been fully constructed and commissioned, with machine equipment installed with ongoing fine-tuning activities being performed (page 10 of AR2022).</p> <p>a) When will the Group officially commence the commercial operation of its Philippines operation?</p> <p>b) When is the Philippines operation expected to achieve break-even point?</p>
<p>A5</p>	<p>The first commercial production commenced in August 2022.</p> <p>The expected break-even point is projected to be at least 3 to 5 years, subject to the domestic market conditions in Philippines.</p>
<p>Q6</p>	<p>Independent auditor KPMG PLT highlighted that the Company’s investment in Perstima Utility Sdn Bhd (PUSB) is a key audit matter on its audit of Perstima’s financial statement 2022 (page 83 of AR2022).</p> <p>As of 31 March 2022, Perstima had invested RM5 million in PUSB. In turn, the amount owing by PUSB to the Company amounted to RM15.63 million.</p> <p>KPMG pointed out that PUSB “has recorded losses for the past three financial years and in view of the current uncertainties on future profitability, there is an indication that the carrying amount of the investment in the subsidiary and receivables from the subsidiary may be impaired”.</p> <p>a) How likely is it that PUSB could reverse its financial performance?</p> <p>b) Is the amount due from PUSB recoverable? How likely is the impairment?</p>

PART A : Questions (“Q”) from Minority Shareholders Watchdog Group and replies (“A”) from the Company (Cont’d)

A6	<p>PUSB financial performance improved compared to previous years, and a portion of the amount owing has been repaid to Perstima in FY2022.</p> <p>PUSB impairment assessment was completed and reversal of impairment loss provided for YE2022.</p>
-----------	--

Corporate Governance Matters

Q7	<p>The Company has departed from adopting Practice 1.4 of the Malaysian Code on Corporate Governance (MCCG) which states that The Chairman of the board should not be a member of the Audit Committee (AC), Nomination Committee (NC) or Remuneration Committee (RC).</p> <p>Currently, the Chairman of the Board Dato’ Dr. Wee Hoe Soon @ Gooi Hoe Soon is also a member of the AC, NC and RC.</p> <p>Currently, the Board comprises four independent non-executive directors (INEDs) including Dato’ Chairman himself. In addition, it is stated in the Term of Reference of AC, NC and RC that the members of these committees shall consist of at least three members.</p> <p>In view of the above, does the Board plan to adopt Practice 1.4 to further enhance the independence and objectivity of the AC, NC and RC in the future? And if so, by when?</p>
A7	<p>The Board is being reconfigured this FY to ensure compliance with MCCG.</p>

[The rest of this page is intentionally left blank]

**PART A : Questions (“Q”) from Minority Shareholders Watchdog Group
 and replies (“A”) from the Company (Cont’d)**

Q8	<p>The costs incurred for maintaining the outsourced internal audit (IA) function for FY2022 amounted to RM22,000, or equivalent to RM1,833 per month (page 38 of AR2022).</p> <p>a) For the three consecutive financial years since FY2020, the IA team of Perstima has been including the revision of the three-year risk-based IA plan in its scope of works (page 32 of AR2020, page 38 of AR2021 and page 38 of AR2022).</p> <p>Why did the IA team revise the three-year risk-based IA plan for three consecutive years?</p> <p>b) Were the IA works carried out on Perstima’s Vietnam subsidiary which is generating significant financial contribution to the Group?</p> <p>c) Considering the low IA fee and limited scope of IA review (only one area of review per annum for the past three years), how does the AC assure itself that there would be sufficient resources to ensure adequate coverage and an effective IA function?</p> <p>d) The IA function is outsourced to ShineWing TY TEOH Risk & Governance Sdn. Bhd. Perstima did not disclose the name and qualification of the person responsible for IA work in its corporate governance report (page 61 of CG Report 2022), as per Practice 11.2 of the MCGG.</p> <p>What is the name and qualification of the person responsible for Perstima’s IA works?</p>
A8	<p>The Group regularly revises its 3-year IA Plan for its effectiveness, adequacy and integrity in reviewing the Group’s internal controls systems. IA review has been carried out on the Vietnam subsidiary as recently as in FY2022.</p> <p>Assessment on IA performance is reviewed by AC on a yearly basis. 3-year IA Plans are executed under the leadership of Mr. Teoh Tow Kean, a member of Institute of Internal Audit Malaysia.</p>

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and replies from the Company

Shareholder's Name	No.	Description
Lee Eng Shan	1.	Question
		What other application(s) to drive higher tinplate demand?
		Answer
		Consumer awareness and demand for recyclable products are key in driving higher tinplate demand. Companies have also started to place emphasis on Sustainable Development Goals (SDG), with signs of replacement from plastic to recyclable metal packaging.
	2.	Question
		What is the Company's global (production) cost curve position, before and after (expectation of) new Philippines plant?
		Answer
		The Group's cost curve position will initially be at a higher side at the beginning of the Philippines plant set-up. However, the position will decrease after the Philippines plant achieves production efficiency.
	3.	Question
		Please share ramp-up strategy of the new Philippines plant.
		Answer
		The new Philippines plant will require time to penetrate the domestic market as each customer has specific product requirements and standards to meet. Hence, duration to achieve those standards will vary from customer to customer. The expected breakeven is 3 to 5 years, as mentioned earlier.
4.	Question	
	Why should the food industry demands for more tinplate usage?	

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and replies from the Company (Cont'd)

Shareholder's Name	No.	Description
Lee Eng Shan		Answer The food industry continues to have strict requirements in terms of packing durability, long shelf-life and food safety. In addition, environmentally conscious practises are in the forefront of consumer minds and metal packaging is a "multi-recyclable" material.
	5.	Question There is a sign that leading tinsplate producers (e.g. Tata's Tinsplate Company of India) are expanding their production capacity significantly, collectively. (i) What's management view? (ii) Has the management took into consideration of the development prior to setting up the new Philippines plant?
		Answer The Management is of the view that the Tata expansion is to primarily focus on local Indian consumption. The Management closely monitors this matter. The original intent of the Philippines expansion was, and still is, to cater to the local market as there are no other local tinsplate manufacturer.
Shareholder's Name	No.	Description
Alvin Yeo Taw Yong	6.	Question (i) May I know the utilisation rate of the Philippines Plant currently? (ii) May I know the Management's target duration on the Philippine plant to breakeven and profit? (iii) May I know the future outlook on price of raw materials and also Management view on margin going forward?

PART B : Questions from Shareholders and Proxyholders and replies from the Company (Cont'd)

Shareholder's Name	No.	Description
Alvin Yeo Taw Yong		Answer
		Kindly refer to the Q&A slides presentation from MSWG.
Shareholder's Name	No.	Description
Lau Chuan Hooi	7.	Question
		(i) May I know what is the Company's future Outlook?
		(ii) Will the Board consider giving door gifts such e-voucher or e-wallets for those participating in this AGM as a token of appreciation?
		Answer
		(i) With the economic effects of the COVID-19 continuing to linger and with these being exacerbated by the ongoing Russia-Ukraine conflict, the Board of Directors expects the Group's growth and profitability to be affected by the higher cost of raw materials, logistics and supply chain disruption and the volatility of the Ringgit Malaysia against United States Dollar exchange.
		(ii) No door gifts will be given as stated in the Administrative Guide.
Shareholder's Name	No.	Description
Teh Sue Leng	8.	Question
		(i) How much does the Company spend on this virtual AGM?
		(ii) Would the Board kindly consider giving shareholders with e-wallet as a token of appreciation for attending today's RPV?
		(iii) I would like to request a printed hard copy of the Company's Annual Report.

PART B : Questions from Shareholders and Proxyholders and replies from the Company (Cont'd)

Shareholder's Name	No.	Description
Teh Sue Leng		Answer
		(i) The Company spent approximately RM20,000 for this virtual AGM.
		(ii) There will be no voucher(s) for shareholders who participate in the AGM as stated in the Administrative Guide.
		(iii) Kindly drop details to the Company by sending email and the Company shall arrange accordingly.
Shareholder's Name	No.	Description
Lim Wan Shun	9.	Question
		Is US appreciate against MYS benefit to the Company?
		Answer
		The Company is a net importer. Thus, US appreciation against MYR will not be beneficial to the Company.
Shareholder's Name	No.	Description
Lew Tuck Wai	10.	Question
		The Statements of Cash Flows on page 48 reported a huge increase in inventories and trade receivables amounted to RM177.915 million and RM74.695 million respectively.
		(i) Please provide further explanation on the huge increase for these 2 items.
		(ii) Has there been a reduction in both inventories and trade receivables for the latest period as at 30 June 2022?

[The rest of this page is intentionally left blank]

**PART B : Questions from Shareholders and Proxyholders and replies from
the Company (Cont'd)**

Shareholder's Name	No.	Description
Low Tuck Wai		Answer
		(i) The raw material price increase coupled with the accruals for stock in transit during FY2022 leading to higher inventory cost. Selling price increase resulted in higher trade receivables for FY2022. (ii) The latest inventories and receivables level shall be available after first quarter announcement.

- End -