PINTARAS JAYA BERHAD
Registration No. 198901012591 (189900-H)
(Incorporated in Malaysia)

Questions raised by shareholders and answers/responses from the Chairman during the Thirty-Second (32nd) Annual General Meeting ("AGM") of Pintaras Jaya Berhad ("PJB" or "Company") held at OWG, Inspire Ballroom, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 22 October 2021 at 10.00 a.m.

QUESTIONS AND ANSWERS

The Company had received a request from the Minority Shareholders Watch Group ("MSWG") dated 1 October 2021 to raise the following questions at the AGM. The answers/responses given by the Company were as detailed hereunder:-

Operational & Financial Matters

1. As the Covid-19 pandemic continues to spread, what is the expected impact of the pandemic on PJB's operations and financial position in FY2022? How is the Board planning to mitigate the impact of the pandemic on PJB's business activities?

   Response: To help reduce the spread, we adhere to Ministry of Health Standard Operating Procedures and have ensured that all of our workforce is fully vaccinated.

   The four (4) major impacts on our operations and profitability are:-
   1) disrupted supply chains;
   2) shortage of workers and increased labour costs;
   3) increase of material and goods prices; and
   4) higher transport costs and availability.

   These are very difficult challenges to overcome. Mitigation of these impacts require good planning, management of resources and efficient execution of work. Strong financials help in purchasing power and the support of suppliers and subcontractors.

2. The Group recorded a profit after taxation (PAT) of RM64.1 million in FY2021 compared to PAT of RM31.7 million in FY2020 (Page 37 of the Annual Report 2021). This represents a positive variance of RM32.4 million or 102.21%.

   However, considering the scarcity of new projects, intense competition, low tender rates, escalated material prices, labour and transport costs, etc. (Page 36 of the Annual Report 2021), what is the Board's expectation of the Group's financial performance in FY2022?

   Response: Despite the difficult operating environment, the Board is of the opinion that the Group should remain profitable for FY2022 with prudent management and hard work.

3. There is a provision for impairment of receivables amounting to RM3,732,273 in FY2021 (FY2020: Reversal of RM165,057) (Page 44 of the Annual Report 2021).

   I. What are the reasons for the high impairments?
   II. Are the receivables recoverable? If so, what is the expected recoverability amounts in FY2022?
   III. Have any of these receivables been recovered to-date?
   IV. Do any of these receivables relate to related parties?

Response: The impairment was due to provisions for two outstanding receivables. Recoverability of some of these receivables is still uncertain at this time as actions taken to recover are still ongoing. RM1.09 mil has been received in 1Q FY2022. None of these receivables relate to related parties.

4. Other operating costs have increased by approximately 75% from RM2,861,194 in FY2020 to RM5,009,320 in FY2021 (Page 89 of the Annual Report 2021).

   What are the reasons for the significant increase in other operating costs?

   Response: Included in the other operating costs of RM2.86 million in FY2020 was an income of RM2.4 million which was in relation to a write-back of rectification costs. These rectification costs have been written back as they were no longer required in FY2020. Excluding the write-back, the other operating costs would have amounted to RM5.26 million, compared to RM5 million in FY2021. There were no other operating costs that had a material fluctuation between FY2020 and FY2021.

5. How much is PJB's current order book and targeted order book replenishment from construction operations in Malaysia ("MY") and Singapore ("SG") in the next two financial years?

   Response: PJB's current order book is about RM400 million. We target about RM400 million in terms of new orders for FY2022 and RM500 million for FY2023.

Corporate Governance Matters

1. The Company in its Corporate Governance Report for FY2021 (Page 40) states that it has applied Practice 12.3 of Malaysian Code on Corporate Governance (MCCG).

   Practice 12.3 of MCCG refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company's AGM.

   The Company's explanation on the application of Practice 12.3 of MCCG is as follows: "The Company's Annual General Meeting is held within the capital city and in a location, which is near to its Registered Office and easily accessible by the public. In additional to the above, shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence".

   Practice 12.3 is not about the choice of venue or the availability of proxy-voting, as such the Company has not applied Practice 12.3 of MCCG.

   Please take note.

   Response: We have some degree of compliance but will endeavour to improve further.

Other questions raised by the shareholders and the answers/responses given by the Company were as follows:-

1. What are the utilisation rates of the construction business in MY and SG currently and in the next two financial years?

   Response: The utilisation capacity of construction business in MY was recorded at 60% - 70% whilst SG was recorded at almost 100%. As the Group will be constantly purchasing machinery and equipment, the capacity usage would be increased accordingly. The utilisation capacity is projected to stand at 80% in MY and close to 100% in SG in the next two financial years.

2. Does the Company have any plans to expand its business to the neighboring countries?

   Response: The Company is focusing on its operations in MY and SG to maximize the capacity of utilisation. Due to Covid-19 pandemic, the Company has no intention to expand its business operation to the neighboring countries at the moment.

3. What are the Company's next three (3) to five (5) years projections?

   Response: The Company is operating well at this point in time. The construction market in Malaysia is uncertain for the next three (3) to five (5) years due to the pandemic, political uncertainties, competition, reduced tenders and margins. The coming few years would be challenging and be filled with uncertainties. However, the Company is looking to grow in a sustainable manner.

4. What kind of projects has the Company managed to secure in MY and SG?

   Response: The Company currently has 6 projects on hand in MY, all of which are in the affordable range high-rise residential projects. For SG, the Company managed to secure government Housing and Development Board jobs, industrial development projects, private residential projects as well as government-link projects for infrastructure works.

5. As the universal steel price has increased for about 30% to 100%, is the steel pricing affecting the operations in both the construction and manufacturing sectors?

   Response: The fluctuation of steel price has impacted the construction operations at around 10% - 20% as the Company will only order steel when needed. The steel price has however impacted 60% of revenue in the manufacturing business as tin plate is the main component in producing tin cans.