

## FIBON BERHAD

Registration No. 200801009722 (811010-H)

(Incorporated in Malaysia)

**Summary of Key Matters Discussed at Fourteenth Annual General Meeting of the Company held as a fully virtual meeting through vote2u online meeting platform at <https://web.vote2u.my> on Wednesday, 27 October 2021 at 10:00 a.m.**

At the Fourteenth Annual General Meeting (“14<sup>th</sup> AGM”) of the Company held on 27 October 2021, the matters discussed in the 14<sup>th</sup> AGM relate to the letter dated 18 October 2021 received from the Minority Shareholders Watch Group (“MSWG”) and questions submitted by Shareholders/Proxies via text box during the AGM.

The clarifications from the Company in response to the enquiries raised by the MSWG are summarised as follows:-

No.	Key Matters raised by MSWG	Summary of the reply from the Management of the Company
1.	<p><b><u>Operational and Financial Matters</u></b></p> <p>As part of FIBON's plans to expand, Fibon Australia had relocated to a new and larger building - warehouse in May 2021 with more potential and opportunity to grow and develop over the next few years. (Page 8 of Annual Report - AR)</p> <p>What is the increase in building capacity? Is there a significant increase in demand for the products? What are the short-term prospects?</p>	<p>Mr. Lim Teck Cheong, the Regional Business Development Manager of the Company, then proceeded to address the queries raised by MSWG.</p> <p>(a) It is a slight increase of approximately 20% in building capacity.</p> <p>(b) There will not be any significant increase in demand in short term but there will be potential to introduce additional product models to the customers.</p> <p>(c) With the increase in space, there is potential for more stock and additional product models, providing faster delivery lead-time to customers.</p>
2.	<p>The disruption in the Oil &amp; Gas industry has directly or indirectly affected many of Fibon's clients. Even though the Oil &amp; Gas Industry is seeing a gradual recovery during the year, it was offset by a sudden surge in COVID-19 cases in India, Indonesia, Malaysia, and other countries. (Page 8 of AR)</p> <p>With the current trending of oil prices upwards, has the situation benefitted the Group significantly?</p>	<p>Mr. Lim Teck Cheong replied that the effect of the current uptrend of oil price to the Group will not be immediate but it will be better looking forward.</p>

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3.	<p>Customers' projects were deferred or delayed, greatly affecting the demand for FIBON electrical components, especially from Singapore and Australia (the Group's primary sales market). (Page 8 of AR)</p> <p>What is the current situation in the Singapore and Australia markets?</p>	<p>Mr. Lim Teck Cheong, informed that even though there are gradual re-opening of markets, both Singapore and Australia are still under the grip of Covid-19 pandemic, with reinstatement of Covid-19 restrictions and lockdowns. Base on customers' feedback, works are slowly recommencing on some deferred or delayed projects but many others may still require times to get back on track. Nevertheless, demand for the Fibon products is gradually getting back to pre-pandemic level.</p>
4.	<p>FIBON will remain competitive by expanding its market reach and cautiously pursuing and exploring viable new business opportunities to enhance shareholder value further. (Page 8 of AR)</p> <p>What have been the Group's achievements in terms of market reach and new business opportunities within the last two years and what are the prospects going forward?</p>	<p>Mr. Lim Teck Cheong replied that Fibon maintains its close connection with its business associates for market reach, minimizing exposure to potential risk of default. For the past two years until now, the Group has been adopting the same principle. Any expansion for market reach is done with much careful consideration, especially during these challenging periods in order to safeguard shareholders' value. As in relation to the prospects, we have addressed it in Q3 earlier.</p>
5.	<p>For the last 5 financial years, the Group's revenue and profit after tax (PAT) experienced a generally declining trend. Revenue had decreased from RM18.481 million in FY 2017 to RM12.48 million in FY 2021 while PAT dropped from RM4.320 million in FY 2017 to RM1.719 million in FY 2021. (Page 10 of AR)</p> <p>How does the Group plan to strategies to beef up its core business? Are there plans to diversify into new businesses in order to address the deteriorating financial performance?</p>	<p>Mr. Lim Teck Cheong informed on the following:-</p> <p>(a) Fibon is working on its new factory, which will have a bigger production capacity. Fibon is planning to increase production of some mid-range products for the medium price market.</p> <p>(b) Fibon will continue to explore new business opportunities. Fibon shall make the announcement when the time arrives.</p>

The clarifications from the Company in response to the enquiries raised by the Shareholders/Proxies are summarised as follows:-

No.	Questions submitted by shareholders/proxies via text box during the AGM	Summary of the reply from the Management of the Company
1.	May I know, what is the company's future outlook?	Mr. Lim Teck Cheong replied that the group is consciously optimistic about the future, as the demand for our products is slowly returning to pre-pandemic level.
2.	How much was the impact of the Company due to the company due to MCO?	Mr. Lim Teck Cheong replied that during MCO, the Company did not operate at 100% capacity, and only started to operate at 100% capacity in mid of October 2021. The impact will be reported in Fibon's coming 1 <sup>st</sup> Quarter Financial Results which will be announced to Bursa Malaysia by end of this month.
3.	How much was the cost saving of this virtual AGM as compared to the physical one?	Mr. Lim Teck Cheong informed that there is not much cost saving for holding the AGM virtual.
4.	Will the Board consider giving door gifts, such as e-voucher or e-wallet for those that have participated in this AGM?	Mr. Lim Teck Cheong responded that the Company will take the proposal into consideration.
5.	What is business outlook for next 6 months and what is strategy for next 12 months?	Mr. Lim Teck Cheong replied that this question was previously addressed under Questions 3 in the Key Matters raised by MSWG and the group is consciously optimistic about the future outlook.

All the resolutions tabled at the 14<sup>th</sup> AGM were duly passed by way of poll, the Chairman announced the results of the poll for each of the resolutions and declared that all the resolutions set out therein were duly carried and passed by the shareholders and proxies present. The results of which had been announced to Bursa Malaysia Securities Berhad on 27 October 2021.