

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given to all Shareholders of **Nialco Alloys Limited** that an Extra Ordinary General Meeting of the Company will be held on Saturday, May 06, 2023, at 10:00 a.m. by using a digital platform at <https://nialco-egm.hisoftcloud.com> through a live webcast to transact the following ordinary businesses:

Agenda:

1. Post-facto approval for the modification of the QIO fund used within December 31, 2022.
2. Post-facto approval for the QIO fund was used after the deadline.
3. Approval for change in the purpose of use and timeline for the QIO fund.

By order of the Board of Directors

Chittagong, April 12, 2023

SD/-
Adv. Tariqul Islam Chisty
Company Secretary

Explanatory notes to the agenda:

1. The Board stated that a total of Tk. 34,599,812 had been used for Terrain Crane, Fork Lift, Magnet Excavator, and Cargo Crane, which was in excess of Tk. 1,699,812 apart from the allotment specified in the QIO prospectus. The Board explained that the variance was due to differences between the quoted price during prospectus publication and market price during the purchase of machinery. In addition, the Board said that the excess utilization was done from the overall allotment for plant and machinery. Tk. 14,000,188 is the remaining unutilized fund under plant and machinery.
2. The Board stated that the post-COVID financial turmoil aggravated by the Russia-Ukraine war made it impossible to focus on the utilization of funds generated through qualifying investment offers. As a result of the War's effects, the company's revenue dropped severely during the fiscal year 2021-2022. Furthermore, we were more focused on sustainability in order to prevent future losses. As a result, concentrating on spending the QIO fund within the time range was difficult. As a result, we were only able to utilize 44% of the funds allotted for land and land development and 48% for plant and machinery within the time limit. After the due date, 22.63% of the plant and machinery fund and 44% of the QIO expense were paid.
3. According to the Board, the use of money for the previously announced cover van and spare components lowered their value and advantages in light of the changed scenario. A cover van will cost a significant amount of money to buy, and further maintenance costs will accrue; however, it can be maintained more affordably by a third party. Additionally, spare parts can be purchased as needed, enabling efficient financial management.

Even though the war in Russia and Ukraine continues to cause economic upheaval, the company's sales increased dramatically in the second quarter of the current fiscal year. The management is hopeful about future full capacity utilization and continuing sales growth. As a result, the Board believes that expanding the factory building would be an efficient option for storing finished products and facilitating the quicker reassembling of semi-finished goods underneath the extended manufacturing shed.

Thus, the Board decided to change the purpose of utilization of unused QIO fund in the following manner:

- a. An unutilized fund of Tk. 14,000,188 under the title of Plant and Machinery will be changed and utilized for expanding the factory building.
- b. The remainder of the unused fund of Tk. 14,349,548 in Land and Land Development will be completed in Land and Land Development.
- c. Further, the Board also proposed the following revised timeline for utilization of unused QIO fund:

Land and land development	BDT 14,349,548	By December 2023
Extension of factory building	BDT 14,000,188	By June 2024
QIO Expense	BDT 458,676	By June 2023

4. Record Date for the EGM is Thursday, April 13, 2023.
5. Members whose names will appear on the Depository Register as on the "Record Date" i.e. April 13, 2023, are eligible to attend the Extra Ordinary General Meeting (EGM) and exercise voting rights.
6. A Member entitled to attend and vote at the EGM may appoint a Proxy to attend and vote in his/her stead. A copy of the "Proxy Form", duly filled and stamped requires to email at info@nialcoalloys.com not later than 48 hours before the EGM. The Members may download the proxy form from the 'Investors Information' section of the Company's website: www.nialcoalloys.com