

P.I.E. INDUSTRIAL BERHAD
Company No.: 199701008590 (424086-X)
(Incorporated In Malaysia)

MINUTES OF ANNUAL GENERAL MEETING

MINUTES OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING ON A FULLY VIRTUAL BASIS AT THE BROADCAST VENUE OF PLOT 4, JALAN JELAWAT 1, SEBERANG JAYA INDUSTRIAL ESTATE, 13700 PRAI, PULAU PINANG ON FRIDAY, 21 MAY 2021 AT 3.00 P.M. VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

ATTENDANCE: As per attendance list

1. COMMENCEMENT

At 3:00 p.m., the Chairman of the Meeting, Mr Wong Thai Sun called the meeting to order and welcomed all members and proxies participating the Company’s Twenty-Fourth Annual General Meeting (24th AGM”) remotely from their respective locations.

2. QUORUM

The meeting was called to order as the Company Secretary confirmed that the quorum was present.

3. NOTICE OF MEETING

The notice of 24th AGM having been circulated within the statutory period, was taken as read.

4. PROCEDURES TO CONVENE THE AGM

The Chairman briefed the shareholders and proxies present virtually at the Meeting on their right to ask questions and vote on the resolutions set out in the Notice of the 24th AGM dated 22 April 2021. The shareholders and proxies were directed to use the text box below the live stream player within the same e-Portal page to submit their questions and the Company would answer the questions after Ordinary Resolution No.11.

The Chairman informed that all the resolutions set out in the Notice of 24th AGM must be voted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements by way of electronic voting (“e-Voting”) via RPV.

The Company had appointed SS E Solutions Sdn. Bhd (“SS”) as Poll Administrator and Commercial Quest Sdn. Bhd as the Scrutineer to conduct the polling process and to verify the poll results respectively.

Shareholders were informed that the polling process will be conducted on the conclusion of the deliberations of all items on the agenda.

The Chairman informed that Ms Wang Yen Mei and Ms Liao, Yueh-Chen being shareholders of the Company have offered to be the proposer and seconder respectively for all the resolutions in the agenda of this meeting.

The Chairman then presented the agenda of the 24th AGM as follows:-

5. **AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORT THEREON**

Shareholders were informed by the Chairman that the said Audited Financial Statements ("AFS") were for discussion purposes only as the provision of Section 340(1)(a) of the Companies Act 2016 do not require members' approval for the AFS. Therefore, this item would not be put forward for voting.

The Chairman proposed that the Company's AFS for the financial year ended 31 December 2020 together with the reports of the Directors and Auditors were duly tabled and received by the shareholders before the Meeting.

6. **ORDINARY RESOLUTION 1
TO APPROVE THE PAYMENT OF A SPECIAL SINGLE TIER DIVIDEND OF 2.6 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020.**

The Chairman informed the Meeting that the Ordinary Resolution 1 was to approve the payment of a Special Single Tier Dividend of 2.6 sen per share for the financial year ended 31 December 2020.

7. **ORDINARY RESOLUTION 2
TO APPROVE THE PAYMENT OF A FIRST AND FINAL SINGLE TIER DIVIDEND OF 2.4 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020.**

The Chairman informed the Meeting that the Ordinary Resolution 2 was to approve the payment of a First and Final Single Tier Dividend of 2.4 sen per share for the financial year ended 31 December 2020.

8. **ORDINARY RESOLUTION 3
TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM69,000.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020.**

The Chairman informed the Meeting that the Ordinary Resolution 3 was to approve the payment of Directors' Fees of up to RM69,000.00 for the financial year ended 31 December 2020.

9. **ORDINARY RESOLUTION 4
TO RE-ELECT MR LOO HOOI BENG AS DIRECTOR OF THE COMPANY PURSUANT TO THE COMPANY'S CONSTITUTION.**

The Chairman informed the Meeting that the Ordinary Resolution 4 was to re-elect Mr Loo Hooi Beng, a Director retiring under Article 102(1) of the Company's Constitution, and who being eligible had offered himself for re-election.

10. **ORDINARY RESOLUTION 5
TO RE-ELECT MS KOAY SAN SAN AS DIRECTOR OF THE COMPANY PURSUANT TO THE COMPANY'S CONSTITUTION.**

The Chairman informed the Meeting that the Ordinary Resolution 5 was to re-elect Ms Koay San San, a Director retiring under Article 102(1) of the Company's Constitution, and who being eligible had offered herself for re-election.

11. **ORDINARY RESOLUTION 6
TO RE-ELECT MR LAN, KUO-YI AS DIRECTOR OF THE COMPANY
PURSUANT TO THE COMPANY'S CONSTITUTION.**

The Chairman informed the Meeting that the Ordinary Resolution 6 was to re-elect Mr Lan, Kuo-Yi, a Director retiring under Article 107(2) of the Company's Constitution, and who being eligible had offered himself for re-election.

12. **ORDINARY RESOLUTION 7
TO APPROVE THE BENEFITS PAYABLE (EXCLUDING DIRECTORS' FEES)
TO THE NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM60,000
FROM 1 JUNE 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING ("AGM")
OF THE COMPANY.**

The Chairman informed the Meeting that the Ordinary Resolution 7 is to approve the benefits payable (excluding Directors' Fees) to the Non-Executive Directors up to an amount of RM60,000 from 1 June 2021 until the next AGM of the Company.

13. **ORDINARY RESOLUTION 8
TO RE-APPOINT MESSRS. DELOITTE PLT AS AUDITORS OF THE COMPANY
FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX
THEIR REMUNERATION.**

The Chairman informed the Meeting that the Ordinary Resolution 8 was to re-appoint Messrs. Deloitte PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration

14. **ORDINARY RESOLUTION 9
TO APPROVE THE CONTINUATION OF MR LOO HOOI BENG IN OFFICE AS
AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY.**

The Chairman informed the Meeting that the Ordinary Resolution 9 is to approve the continuation of Mr Loo Hooi Beng who have served in the company for a cumulative term of more than twelve (12) years in this coming July, to continue to act as independent non-executive directors of the company.

Pursuant to the Malaysian Code on Corporate Governance ("MCCG") 2017, if the Company continues to retain the independent director after the twelfth year, the Company should seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the Large Shareholders of the company, which is Pan Global Holding Co. Ltd will vote; and
- Tier 2: Shareholders other than Large Shareholders will vote.

Therefore, the decision for the above resolutions will be determined based on the vote of Tier 1 and a simple majority of Tier 2. The resolutions will be deemed successful if both Tier 1 and Tier 2 votes support the resolutions

However, the resolutions will be deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) have abstained from voting.

15. **ORDINARY RESOLUTION 10
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE
COMPANIES ACT, 2016.**

The Chairman informed the Meeting that the Ordinary Resolution 10 was on the authority to issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

He proceeded to inform the Meeting that this resolution is to give a mandate to the Directors the authority to issue and allot shares in the Company up to an amount not exceeding 20% of the total issued capital of the Company for the time being, at any time in their absolute discretion without convening a general meeting. Such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.

With effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Bursa Securities Listing Requirement provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights grants, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number issued shares (excluding any treasury shares) of the Company for the time being.

The mandate will provide the Company the flexibility to allot shares, any possible fund raising exercises, as well as, in the event of any strategic opportunity involving equity deals which may require the Company to allot and issue new shares on urgent basis and thereby reducing the administrative time and costs associated with the convening of additional shareholders' Meeting(s).

16. **ORDINARY RESOLUTION 11
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
("PROPOSED SHAREHOLDERS' MANDATE")**

The Chairman informed the Meeting that the Ordinary Resolution 11 is in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

The meeting noted that a mandate was granted, via an ordinary resolution passed at the last AGM for the Company to enter into recurrent related party transactions. As the said mandate will expire at this AGM, the Company is seeking a fresh mandate from the shareholders for the renewal of recurrent related party transactions of a revenue or trading nature. Further details are in the Circular to Shareholders announced.

The Chairman informed the shareholders that the interested directors, major shareholders and person connected as listed under Section 9 on page 10 of the Circular to shareholders are deemed interested in the proposed new and renewal of shareholders' mandate and accordingly will abstain from voting the relevant resolution.

17. QUESTION AND ANSWER SESSION

- Q1. Is the Group affected by the chip shortage? How serious is the situation? What is the impact of the sharp increase in raw materials to the group's profitability? Any steps taken to mitigate the issue? *(from shareholder, Wong Weng Yew)*

Mr Mui Chung Meng ("Mr Mui"), the Managing Director of the Company replied to the affirmative on the question relating to the chip shortage. He replied that the situation was not that serious compared to most other companies and the impact was minimum as all the costs would be passed to the final customers. He added that the Company had expected the chip shortages since last year end and had requested their customers to prepare extra stocks (chips).

- Q2. Is there any progress on the State Government's approval for the purchase of the new plant? *(from shareholder, Tai Shih Chau)*

Mr Mui replied that the State Government had granted the approval to the Company. He added that the Company had started renovation in the new plant and is expected to be completed by the end of this year.

- Q3. Would appreciate if you can provide more information on the new plant. *(from shareholder, Tai Shih Chau)*

Mr Mui replied that the size of the new plant is 80,000 square feet and the Company plans to expand the size to 150,000 square feet. He added that the Company plans to carry some of their target projects in the new plant once it is ready for mass production.

- Q4. In "The Star" interview dated 1 March 2021, Mr Mui stated that: "The Box-built consumer electronic business should contribute 20% to the group revenue this year. The contribution should hit 50% next year" while page 14 of the Company's annual report stated that "The new plant will then be renovated and extended to 150,000 square feet for manufacturing of box-built consumer electronic products for a renowned customer that expecting to contribute around 50% of the Group's total revenue in Financial Year Ended 2021." Which statement above reflects the Group's real expectation? *(from shareholder, Lim Wee Jin)*

Mr Mui replied that both statements were true. He explained that currently manufacturing process of the Company carried for their new customer consist of level 5 (mechanical part) and level 6 [Printed Circuit Board Assembly ("PCBA")]. While level 10 (final assembly and testing) was undertaken by another company. He added that once the new plant is ready, it will be used to undertake level 10 production and there will be no material cost involved as it will be passed from level 5 and level 6, hence it will incur marginal cost together with labour cost. With the existence of the new plant, the revenue contribution is expected to be more than 50% with a high margin.

- Q5. i. Can management talk more about the new Research & Development (R&D) Division, such as the amount of capital involved and the number of engineers that work under this R&D division?
ii. Can we know estimated capital expenditure (CAPEX) for this year 2021?
iii. Recently freight rate has increased a lot. Are the Company products shipped by cargo or air freight? Will the increase in freight rate affect the Company's

profit margin?

- iv. Chip shortage is a well known fact. Will it affect the Company's outputs and earnings? *(from shareholder, Lee Choon Sen)*

Mr Mui replied as follows:

- i. There are 6 senior personnel in the R&D Division. The capital involved comprise mostly human resources and some test equipment, which cost about a few million ringgit.
- ii. The Company expects to incur approximately RM150 million on the factory expansion and upcoming new projects.
- iii. The Company's products are shipped by both cargo and air freight. The increase in freight rate will not affect the Company's profit margin as the freight charges on the products are borne by customers.
- iv. The Company mitigated the chip shortage by keeping more stock in advance hence the impact is minimal and it should not affect the Company's output and earning.

- Q6. "The manufacturing of box-built consumer electronic products for a renowned customer", consumer electronic products are too wide, can we as the shareholders know what is that product? Will this product lift the Group's gross profit margin to more than 7%? *(from shareholder, Lim Wee Jin)*

Mr Mui replied that the Company is unable to disclose the information on the electronic products as well as the customer due to the non-disclosure agreement signed. He informed that it was a good and mature product which had gone through few generations and is in a high demand. He added that this product is currently experiencing shortages, hence it sells very well. He further added that the Company will not reach above the 7% gross profit margin at the beginning on the manufacturing of this product. He explained that the Company plans to apply more automation for the manufacture of this product to reduce the labour cost incurred as well as to ensure product consistency. He believes that this product would be able to catch up to the existing Group margin or even exceed it in the future.

- Q7. Could the Board consider giving e-voucher for shareholders as a token of appreciation of attending AGM? *(from shareholder, Leow Yuk Loong)*

Mr Mui replied that this was not the practice of the Company.

- Q8. Will there be any bonus issues in the future to reward back to the shareholder? *(from shareholder, Leow Yuk Loong)*

Mr Mui replied that the Company did not have this plan currently but will be considered as an option in the future.

- Q9. Since there is a need for additional factory facilities, is there any plan to take back the rented factories for own use? *(from shareholder, Tai Shih Chau)*

Mr Mui replied that the Company has undertaken this practice currently by taking back one of the rented factories which would be completed by middle of next year.

- Q10. Regarding the Company's expansion plan, specifically the purchase of new land/ property, can you share with us what is the progress status? If it is any empty land/ property, what is the estimated duration to setup the facility to commence production? *(from shareholder, Loh Swee Leang)*

Mr Mui replied that this question was answered.

- Q11. Will the Company increase the percentage of the payout of dividend in the future? If yes, how many percentage will it be increased? *(from shareholder, Leow Yuk Loong)*

Mr Mui replied that the Company's policy was to pay as much dividend as the Company can afford, but as the Company is currently undergoing the expansion plan, it will therefore be measuring the balance every year.

- Q12. Any plan to enter Electric Vehicle ("EV") supply chain? *(from shareholder, Wong Weng Yew)*

Mr Mui replied to the negative. He informed that Pan-International Industrial Corporation in Taiwan was involved in the cable assembly for the EV industry.

- Q13. Will there be any private placement? *(from shareholder, Leow Yuk Loong)*

Mr Mui replied to the negative.

- Q14. How does the Company treat foreign workers? *(from shareholder, Lee Eng Shan)*

Mr Mui informed that the Company is one of the registered companies under the Responsible Business Alliance ("RBA") and the relevant personnel of the Company had attended the full training provided by RBA since 2018. He added that the Company was also audited by a third-party International RBA auditor annually since 2017. Hence, the Company had complied with the labour management standard stipulated by Jabatan Tenaga Kerja ("JTK") and RBA since 2018. The Company had engaged CGS consultant ("QSG") for continuous improvement of workers. QSG is a leading international consulting and training firm that provides companies with strategies for organizational continuous improvements. The training provided by QSG is planned to start on June 2021.

18. **OTHER BUSINESS**

The Chairman informed the members that no notice for any other business was received.

19. **POLLING PROCESS**

At 3.35 p.m., the Chairman reminded members to vote via e-Voting as the voting session would be continue for another 10 minutes.

At 3.45 p.m., the Chairman announced that the voting session for the 24th AGM had ended.

He informed members that that the Meeting would adjourn until the counting of the votes was completed and would resume thereafter for the declaration of the result of the poll.

20. **ANNOUNCEMENT OF POLL RESULT**

At 3.55 p.m., The Chairman called the Meeting to order for the declaration of results. He invited the Ms Alice Lim Sing Suen from Commercial Quest Sdn Bhd to read out the poll results.

The poll results are as follow:

Resolution	FOR		AGAINST		Result
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1	202,230,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 2	202,230,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 3	202,230,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 4	202,226,233	99.9972	5,600	0.0028	CARRIED
Ordinary Resolution 5	202,230,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 6	202,230,734	99.9995	1,099	0.0005	CARRIED
Ordinary Resolution 7	202,215,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 8	202,230,833	99.9995	1,000	0.0005	CARRIED
Ordinary Resolution 9	202,211,233	99.9972	5,600	0.0028	CARRIED
Ordinary Resolution10	202,226,233	99.9972	5,600	0.0028	CARRIED
Ordinary Resolution11	4,760,848	99.9790	1,000	0.0210	CARRIED

The Chairman declared that all resolutions were duly passed.

21. TERMINATION

There being no other matters to discuss, the meeting ended at 4.00 p.m. with vote of thanks to the Chairman.

CONFIRMED CORRECT,

WONG THAI SUN
 Chairman
 Date: 21 May 2021