

**MINUTES OF ANNUAL GENERAL MEETING**

MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING HELD AT MEETING ROOM 3, LEVEL 1, IXORA HOTEL, JALAN BARU, BANDAR PERAI JAYA, 13600 PERAI, PENANG, MALAYSIA ON FRIDAY, 19 MAY 2023 AT 9.00 A.M.

ATTENDANCE: As per attendance list

**1. COMMENCEMENT**

At 9:00 a.m., the Chairman of the Meeting, Mr Lim Chien Ch'eng called the meeting to order and welcomed all members and proxies participating the Company's Twenty-Sixth Annual General Meeting (26<sup>th</sup> AGM" or "the Meeting").

**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 26<sup>th</sup> AGM having been circulated within the statutory period was taken as read.

**4. WRITTEN QUERIES FROM MINORITY SHAREHOLDER WATCH GROUP ("MSWG")**

- 4.1 The Chairman informed the shareholders that the Company had received written queries from MSWG and the response by the Company pursuant to the written queries from MSWG were projected on the screen for members to view and the Chairman read out the response. A copy of the queries and responses were attached hereto as APPENDIX I.

**5. PROCEDURES TO CONVENE THE AGM**

The Chairman informed the members that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 26<sup>th</sup> AGM are to be voted by poll and the Company has to appoint at least one scrutineer to validate the votes cast.

The Chairman also informed the members that the Company had appointed Agriteum Share Registration Services Sdn. Bhd ("Agriteum") as Polling Administrator and Symphony Corporate Services Sdn Bhd had been appointed as the Independent Scrutineer to conduct the polling process and to verify the poll results respectively.

Shareholders were informed that the polling process would be conducted on the conclusion of the deliberations of each resolution on the agenda.

Mr Lee Kean Meng and Ms Ooi Khai Swen offered themselves to be the proposer and seconder respectively for all the resolutions in the agenda of the Meeting.

The Chairman then presented the agenda of the 26<sup>th</sup> AGM as follows:-

**6. AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 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 2022 together with the reports of the Directors and Auditors were duly tabled and received by the shareholders before the Meeting.

**7. ORDINARY RESOLUTION 1  
TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM90,000.00  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022.**

The Chairman informed the Meeting that the Ordinary Resolution 1 was to approve the payment of Directors' Fees of up to RM90,000.00 for the financial year ended 31 December 2022.

The Ordinary Resolution 1 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 1 was carried.

**8. ORDINARY RESOLUTION 2  
TO APPROVE THE BENEFITS PAYABLE (EXCLUDING DIRECTORS' FEES) TO  
THE NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM40,800.00 FROM 1  
JUNE 2023 UNTIL THE NEXT ANNUAL GENERAL MEETING (AGM) OF THE  
COMPANY.**

The Chairman informed the Meeting that the Ordinary Resolution 2 was to approve the benefits payable (excluding directors' fees) to the non-executive directors up to an amount of RM40,800.00 from 1 June 2023 until the next Annual General Meeting (AGM) of the Company.

The Ordinary Resolution 2 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 2 was carried.

**9. ORDINARY RESOLUTION 3  
TO RE-ELECT MR MUI CHUNG MENG, WHO RETIRES IN ACCORDANCE WITH  
THE ARTICLE 102(1) OF THE COMPANY'S CONSTITUTION.**

The Chairman informed the Meeting that the Ordinary Resolution 3 was to re-elect Mr Mui Chung Meng, who retired in accordance with the Article 102(1) of the Company's Constitution.

The Ordinary Resolution 3 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 3 was carried.

**10. ORDINARY RESOLUTION 4  
TO RE-ELECT MS KOAY SAN SAN WHO RETIRES IN ACCORDANCE WITH THE  
ARTICLE 102(1) OF THE COMPANY'S CONSTITUTION.**

The Chairman informed the Meeting that the Ordinary Resolution 4 was to re-elect Ms Koay San San who retired in accordance with the Article 102(1) of the Company's Constitution.

The Ordinary Resolution 4 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 4 was carried.

11. **ORDINARY RESOLUTION 5  
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 5 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.

The Ordinary Resolution 5 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 5 was carried.

12. **ORDINARY RESOLUTION 6  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 & 76  
OF THE COMPANIES ACT, 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS.**

The Chairman informed the Meeting that the Ordinary Resolution 6 was on the authority to allot and issue shares pursuant to Section 75 & Section 76 of the Companies Act, 2016 and waiver of pre-emptive rights.

He proceeded to inform the Meeting that this resolution would give a mandate to the Directors the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the issued shares of the Company and to waive the statutory pre-emptive rights of the shareholders to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

The mandate would provide the Company the flexibility for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meetings to specifically approve such an issuance of shares and will exclude the shareholders' pre-emptive rights over all new shares to be issued under this mandate.

The Ordinary Resolution 6 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 6 was carried.

13. **ORDINARY RESOLUTION 7  
AUTHORITY TO PURCHASE ITS OWN SHARES.**

The Chairman informed the Meeting that the Ordinary Resolution 7 was on the authority to purchase its own shares.

He proceeded to inform the Meeting that subject always to the Companies Act, 2016, the Constitution of the Company and the approvals of all relevant government and / or regulatory authorities, the Company be and is hereby authorised to purchase the ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of its issued and paid-up share capital and the 10% shall always take into account any shares bought back and retained as treasury shares and that amount allocated by the Company for the Proposed Share Buy-Back is backed by an equivalent amount of retained profits of RM1,748,809. Upon purchase by the Company of its own shares, the purchased shares will be cancelled or retained as treasury shares or both and / or dealt with in accordance with the relevant prevailing statutory provisions and guidelines.

That the Directors be and are hereby empowered to do all acts and things to give effect to the Proposed Share Buy-Back and to be dealt with in accordance with Bursa Securities' Listing Requirements and Companies Act, 2016.

That such authority shall commence immediately upon the passing of this resolution until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held or revoked or varied by ordinary resolution passed by shareholders in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date.

The Ordinary Resolution 7 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 7 was carried.

**14. ORDINARY RESOLUTION 8  
PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE.**

The Chairman informed the Meeting that the Ordinary Resolution 8 was on the proposed new and renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

He proceeded to inform the Meeting 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 expired at this AGM, the Company was seeking a fresh mandate from the shareholders for the new and renewal of recurrent related party transactions of a revenue or trading nature. Further details are in the Circular to Shareholders which is available on the website of the Company.

He added that before considering the proposed Ordinary Resolution 8, the shareholders, the interested directors, major shareholders and person connected as listed under Section 9 on pages 12 and 13 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.

The Ordinary Resolution 8 was then put to the vote of the Meeting by e-polling.

The voting results are attached hereto as Appendix II. The Chairman declared that Ordinary Resolution 8 was carried.

## 15. OTHER BUSINESS

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

## 16. QUESTIONS AND ANSWERS SESSION

(a) *The following questions were raised by Mr. Lim Wee Jin, a shareholder:-*

In page 13 of the Annual Report, under the heading of Outlook, Prospect and Future Challenges as stated in the Management, Discussion and Analysis ("MD&A"), it was noted that the Group may have an opportunity to enter the electrical vehicle (EV) industry in view of the rising EV manufacturing industry in Thailand and such development would improve diversity in business.

What is the progress of the EV business of the Group? Second, who are the customer N and customer A as mentioned in the MD&A. Lastly, he urged the Company to increase the dividend yield to around 4% due to inflation.

The Managing Director, Mr Mui Chung Meng ("Mr Mui") replied that the headquarters of the Group has a substantial business in manufacturing of wire harness products for the EV industry in China. Second, the indirect major shareholder of the Group, Foxconn was cooperating with one of the biggest Thai petrochemical company, PTT Public Company Limited to set up an EV manufacturing site in Thailand. Hence, he mentioned that the Group may have a good opportunity to undertake the wire harness business of the EV industry in Thailand once their factory is ready for production. The EV manufacturing factory in Thailand is expected to be ready for production by early 2024. He added that the Group has the know-how in manufacturing the products for the EV industry.

Second, Mr Mui replied that he was unable to disclose the name of the customer N and customer A due to the Non-Disclosure Agreements (NDA). He informed that customer N had become one of the largest customer to the Group which contributed approximately 30% of the Group's total revenue in year 2022. He further added that customer N is a Japanese company under the digital entertainment segment, while customer A is under the segment of supercomputing server business. The margin for customer A was high as they consigned their materials to the Group which contributed to the Group's total revenue of approximately 5% to 6% in year 2022 and was expected to have a continuous growing business between the Group and customer A. He added that the Group has dedicated one of its factories, namely Plant 5 for the entire production of the products for customer A.

Lastly, Mr Mui mentioned that he would prefer the Group to declare a higher dividend yield as he is also one of the shareholders of the Group. However, the Group has to reserve more capital for future continuing expansion. Hence, he hoped that the business of the Group will continue growing and to declare more dividends in the future.

## 17. TERMINATION

There being no other matters to discuss, the meeting ended at 9.36 a.m. with a vote of thanks to the Chairman.

**CONFIRMED CORRECT,**

**LIM CHIEN CH'ENG**  
Chairman

Date: 19 May 2023

### **Operational and Financial Matters**

1. In FY2022, the Group incurred capital expenditure (capex) totaling RM46.68 million, compared to RM65.66 million in FY2021. The capex was spent on the purchase of machinery and equipment as well as the purchase and expansion of the factory building to expand production capacity to cater for the increasing orders and enhance operational efficiency. (page 11 of Annual Report (AR) 2022)

- (a) What was the Group's total capacity and average utilisation rate in FY2022?

*The Group's total capacity achieved 1 billion chips per month and average utilisation rate is 90%.*

- (b) How much additional capacity does this new factory add to the Group?

*The new factory could increase the Group's capacity by approximately 40%.*

- (c) When do you expect this new factory to start operations? And when do you expect it to run at optimal capacity?

*The new factory is expected to start operation by Q1'25, and barring unforeseen circumstances, it could run at optimal capacity by end of 2025.*

- (d) What is the budgeted capex for FY2023?

*The budgeted capex for FY2023 is approximately RM70mil.*

2. Employment (Amendment) Act 2022 came into force on 1 January 2023. What is the expected financial impact from the amendments, which include revision of threshold of wages entitled for overtime payments to RM4,000/month and reduction of working hours from 48 hours to 45 hours a week?

*Following amendments to the Employment Act 2022, the Group is experiencing an increase in labour costs including overtime costs. However, the Group is able to renegotiate for a higher selling price with the majority of customers. Thus, the impact on overall profit margin will be minimal.*

3. The Group expects another year of strong growth in view of business revenue and diversity for FY2023. (page 13 of AR 2022)

- (a) What is the Group's targeted revenue growth for FY2023?

*The Group is targeting approximately 10% of revenue growth for the FY2023.*

- (b) What is the Group's current outstanding orderbook?

*Currently, the Group's outstanding orderbook is at a healthy level.*

### **Corporate Governance Matters**

4. Practice 5.9 of the Malaysian Code of Corporate Governance stipulates that 30% of the Board should comprise women. As of FY2022, there was only one woman director out of the 6 directors on the Board. Does the Company intend to apply Practice 5.9, and if yes, by when?

*The Group believes that the composition of the Board should have diversity of professional skills, experience, age and gender in order to effectively oversee the Group's direction towards achieving its goal and objectives. The Group will appoint more female directors to the board in the future when suitable candidates are available in order to comply with Practice 5.9 of Malaysian Code of Corporate Governance.*

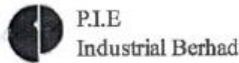
5. Practice 13.6 of Malaysian Code on Corporate Governance (MCCG) 2021 stipulates that minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

**PIE's response:** Applied. The minutes of the 25th AGM was duly confirmed by the Chairman and uploaded on the Company's corporate website at [www.pieib.com.my](http://www.pieib.com.my) within 30 business days from the date of the meeting.

**MSWG's comment:** As of May 8, no minutes or even summary of key matters discussed at the previous 25th AGM was published on the Company's website. Please explain.

*The Company had since June 2022 uploaded its minutes of 25<sup>th</sup> AGM on its website at <https://pieib.com.my/2022/08/12/minutes-of-meetings/>*





P.I.E. INDUSTRIAL BERHAD (199701008590 (424086-X))

26TH ANNUAL GENERAL MEETING

MEETING ROOM 3, LEVEL 1, IXORA HOTEL, JALAN BARU, BANDAR PERAI JAYA 13600 PRAI, PULAU PINANG, MALAYSIA.

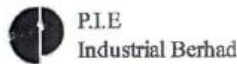
Friday, 19 May 2023 at 09:00 AM

RESULT ON VOTING BY POLL

RESOLUTION	VOTED	NO. OF SHAREHOLDERS / UNITHOLDERS	NO. OF SHARES / UNITS	% OF SHARES / UNITS	ABSTAIN * NO. OF SHARES / UNITS
ORDINARY RESOLUTION 1	FOR	18	197,644,385	99.999949	0
	AGAINST	1	100	0.000051	
ORDINARY RESOLUTION 2	FOR	46	225,533,482	90.990715	0
	AGAINST	13	22,330,800	9.009285	
ORDINARY RESOLUTION 3	FOR	44	225,454,682	99.999956	22,330,700
	AGAINST	1	100	0.000044	
ORDINARY RESOLUTION 4	FOR	38	223,506,182	99.660317	23,629,800
	AGAINST	3	761,800	0.339683	
ORDINARY RESOLUTION 5	FOR	59	247,906,982	99.999677	0
	AGAINST	1	800	0.000323	
ORDINARY RESOLUTION 6	FOR	51	230,022,482	92.805081	0
	AGAINST	8	17,833,000	7.194919	
ORDINARY RESOLUTION 7	FOR	60	247,916,182	100.000000	0
	AGAINST	0	0	0.000000	



Page 1 of 2



P.I.E. INDUSTRIAL BERHAD (199701008590 (424086-X))

26TH ANNUAL GENERAL MEETING

MEETING ROOM 3, LEVEL 1, IXORA HOTEL, JALAN BARU, BANDAR PERAI JAYA 13600 PRAI, PULAU PINANG, MALAYSIA.

Friday, 19 May 2023 at 09:00 AM

RESULT ON VOTING BY POLL

RESOLUTION	VOTED	NO. OF SHAREHOLDERS / UNITHOLDERS	NO. OF SHARES / UNITS	% OF SHARES / UNITS	ABSTAIN * NO. OF SHARES / UNITS
ORDINARY RESOLUTION 8	FOR	18	246,200	100.000000	197,459,985
	AGAINST	0	0	0.000000	

Note: \* These votes refer to holders who have pre-determined abstain from voting in the Proxy Form or holders refrained from voting due to conflict of interest.



Page 2 of 2