

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or any other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has conducted a limited review on the Part B of this Circular pursuant to paragraph 4.1(c) of Practice Note 18 of the Main Market Listing Requirements.

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P.I.E. INDUSTRIAL BERHAD

Registration No.199701008590 (424086-X)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED ISSUANCE AND ALLOTMENT OF 4,090,900 NEW ORDINARY SHARES AT AN ISSUE PRICE OF THB50 (EQUIVALENT TO RM6.635) PER SHARE, REPRESENTING 44.99% EQUITY INTEREST IN PAN INTERNATIONAL ELECTRONICS (THAILAND) COMPANY LIMITED, A 99.99% OWNED SUBSIDIARY OF P.I.E INDUSTRIAL BERHAD ("PIB" OR THE "COMPANY") TO PAN-INTERNATIONAL INDUSTRIAL CORPORATION, THE ULTIMATE HOLDING COMPANY OF PIB ("PROPOSED SHARES ALLOTMENT")

PART B

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting of PIB ("**EGM**"), which will be held at the Conference Room of Pan-International Electronics (Malaysia) Sdn. Bhd., Plot 4, Jalan Jelawat 1, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang on Friday, 12 January 2024 at 9.00 a.m., or at any adjournment thereof, and the Proxy Form are enclosed herewith.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/ her behalf. In such event, the completed and signed Form of Proxy should be lodged at the Registered Office of the Company at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Thursday, 11 January 2024 at 9.00 a.m.
Date and time of the EGM : Friday, 12 January 2024 at 9.00 a.m.

DEFINITIONS

The following definitions shall apply throughout this Circular and accompanying appendices unless the context requires otherwise:

| | |
|----------------------|--|
| Act | : Companies Act 2016, as amended from time to time and any re-enactment thereof |
| Board | : The Board of Directors of PIB |
| Bursa Securities | : Bursa Malaysia Securities Berhad (Company No. or Registration No. 200301033577 (635998-W)) |
| Circular | : This circular to the shareholders of PIB in relation to the Proposed Shares Allotment and Proposed New Shareholders' Mandate |
| CMSA | : Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof |
| Completion | : Completion of the issuance and allotment of the Subscription Shares by PIT to PIIC, in accordance with the terms and conditions of the Subscription Agreement |
| Director(s) | : Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 |
| EGM | : Extraordinary general meeting |
| EPS | : Earnings per share |
| FYE | : Financial year ended/ending, as the case may be |
| LAT | : Loss after tax |
| Listing Requirements | : Main Market Listing Requirements of Bursa Securities |
| LPD | : 30 November 2023, being the latest practicable date prior to the printing and dispatch of this Circular |
| Major Shareholder(s) | : A person who has interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, "interests in shares" has the meaning given in Section 8 of the Act. For the purpose of the Proposed Shares Allotment and the New Shareholders' Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company or any other corporation which is our Company's subsidiary or holding company. |
| NA | : Net assets |
| NL | : Net liabilities |

DEFINITIONS (CONT'D)

| | |
|---|--|
| PAT | : Profit after tax |
| Paragraph 6.06(1) of the Listing Requirements | : Subject to the Listing Requirements, a listed issuer must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in a general meeting have approved the specific allotment to be made to such persons: (a) a Director, Major Shareholder or chief executive of the listed issuer or a holding company of the listed issuer; or (b) a Person Connected with an interested Director, interested Major Shareholder or interested chief executive. |
| Person(s) Connected | : Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements |
| PGH | : Pan Global Holding Company Limited (Company No. or Registration No. 156001, being the holding company of PIB) |
| PIB or the Company | : P.I.E. Industrial Berhad (Company No. or Registration No. 199701008590 (424086-X)) |
| PIB Group or Group | : PIB and its subsidiaries collectively |
| PIESB | : Pan-International Electronics (Malaysia) Sdn. Bhd. (Company No. or Registration No.198901000942 (178248-H)) |
| PIE Enterprise | : PIE Enterprise (M) Sdn. Bhd. (Company No. or Registration No. 199601027284 (399636-P)) |
| PIIC | : Pan-International Industrial Corporation (Company No. or Registration No.03546618), the ultimate holding company of PIB |
| PIS | : Pan-International Corporation (S) Pte Ltd (Company No. or Registration No. 199500209H), the associate company of PIESB |
| PIT | : Pan International Electronics (Thailand) Company Limited (Company No. or Registration No. 0105533099378) |
| PIW Enterprise | : P.I.W. Enterprise (Malaysia) Sdn. Bhd. (Company No. or Registration No. 200201011528 (579191-K)) |
| PIWSB | : Pan-International Wire & Cable (Malaysia) Sdn. Bhd. (Company No. or Registration No. 198901000941 (178247-M)) |
| Proposed New Shareholders' Mandate | : Proposed new shareholders' mandate for RRPTs pursuant to Paragraph 10.09 of the Listing Requirements, which the details are as set out in Part B, Section 2.7nof this Circular |
| Proposed Shares Allotment | : Proposed issuance and allotment of new ordinary shares by PIT to PIIC as set out in Part A, Section 1 of this Circular |
| Related Party(ies) | : Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s) |
| RM and sen | : Ringgit Malaysia and sen, respectively |

DEFINITIONS (CONT'D)

| | |
|------------------------|---|
| RRPT(s) | : Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of our Group, entered or to be entered into by our Company which involve the interest, direct or indirect, of a Related Party(ies) |
| Skyway | : 12 Skyway Sdn Bhd (Company No. or Registration No. 200601023702 (743456-W)), the associate company of PIB |
| Subscriber or PIIC | : Subscriber to new ordinary shares in PIT pursuant to the Subscription Agreement, (as set out under Part A, Section 4 of this Circular) |
| Subscription Agreement | : The subscription agreement dated 28 November 2023 entered into between PIIC and PIT for the subscription of 4,090,900 Ordinary Shares in the capital of PIT at an issue price of THB50 for each Subscription Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement. |
| Subscription Price | : The subscription price of THB50 for each subscription share to be issued and allotted by PIT to the Subscriber at the Subscription Price on the Completion Date. |
| Subscription Shares | : 4,090,900 new Ordinary Shares to be issued and allotted by PIT to the Subscriber at the Subscription Price on the Completion Date. |
| Subscription Sum | : A total of 4,090,900 new ordinary shares in PIT at the Subscription Price at the total subscription sum of THB204,545,000.00 (equivalent to RM27,143,121.50) |
| THB | : Thai Baht |
| TWD | : Taiwan Dollar |

The exchange rate used throughout this Circular unless otherwise indicated would refer to the exchange rate of the relevant currency as extracted from Bank Negara Malaysia's website as at 27 November 2023, being one day before the date of the Subscription Agreement.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. Any references to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time or re-enacted thereof.

All reference to dates and times in this Circular refer to Malaysian dates and times.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

TABLE OF CONTENTS

| <u>PART A</u> | <u>PAGE</u> |
|---|--------------------|
| LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED SHARES ALLOTMENT | |
| 1. INTRODUCTION..... | 1 |
| 2. DETAILS OF THE PROPOSED SHARES ALLOTMENT | 2 |
| 3. INFORMATION ON PIT | 5 |
| 4. INFORMATION ON PIIC..... | 6 |
| 5. OVERVIEW AND OUTLOOK OF THE MANUFACTURING INDUSTRY, ELECTRIC AND ELECTRONICS INDUSTRY, AND ELECTRIC VEHICLE INDUSTRY IN THAILAND | 6 |
| 6. RATIONALE FOR THE PROPOSED SHARES ALLOTMENT..... | 7 |
| 7. EFFECTS OF THE PROPOSED SHARES ALLOTMENT..... | 8 |
| 8. APPROVALS REQUIRED | 9 |
| 9. OTHER CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION..... | 9 |
| 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM..... | 9 |
| 11. DIRECTORS' STATEMENT AND RECOMMENDATION | 10 |
| 12. ESTIMATED TIME FRAME FOR COMPLETION | 10 |
| 13. EGM | 11 |
| 14. FURTHER INFORMATION..... | 11 |
| <u>PART B</u> | |
| LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE | |
| 1. INTRODUCTION..... | 13 |
| 2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE..... | 14 |
| 3. RATIONALE AND BENEFIT FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE | 19 |
| 4. EFFECT OF THE PROPOSED NEW SHAREHOLDERS' MANDATE | 20 |
| 5. APPROVAL REQUIRED..... | 20 |
| 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM | 21 |
| 7. DIRECTORS' STATEMENT AND RECOMMENDATION..... | 22 |
| 8. EGM | 22 |
| 9. FURTHER INFORMATION..... | 22 |
| APPENDICES | |
| I. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT | |
| II. CORPORATE STRUCTURE OF PIIC | |
| III. FURTHER INFORMATION | |
| NOTICE OF EGM | ENCLOSED |
| PROXY FORM | ENCLOSED |

PART A

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE
PROPOSED SHARES ALLOTMENT**



P.I.E. INDUSTRIAL BERHAD
(Registration No. 199701008590 (424086-X))
(Incorporated in Malaysia)

Registered Office

51-8-A, Menara BHL
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang

28 December 2023

Board of Directors:

Lim Chien Ch'eng (*Independent Non-Executive Chairman*)

Mui Chung Meng (*Managing Director*)

Lan, Kuo-Yi (*Executive Director*)

Wong Thai Sun (*Independent Non-Executive Director*)

Koay San San (*Independent Non-Executive Director*)

Lee Cheow Kooi (*Non-Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHARES ALLOTMENT

1. INTRODUCTION

On 29 November 2023, the Company announced that PIT, the 99.99% owned subsidiary of the Company had on 28 November 2023 entered into a Subscription Agreement with PIIC for the issuance and allotment of 4,090,900 new ordinary shares by PIT at an issue price of THB50 (equivalent to RM6.635) per share to PIIC.

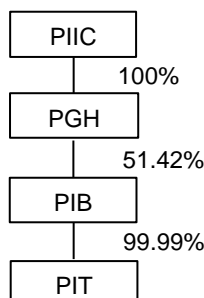
(PIT and PIIC collectively referred to as "Parties")

As at the LPD, PIT is a 99.99% owned subsidiary of PIB, PIB is a 51.42% owned subsidiary of PGH, PGH is the wholly-owned subsidiary of PIIC.

PIT is not a major subsidiary of PIB pursuant to the definitions of the Listing Requirements. A major subsidiary as defined in the Listing Requirements means an associated company or subsidiary, as the case may be, which contributes 70% or more of the profit before tax or total assets employed of the listed issuer on a consolidated basis.

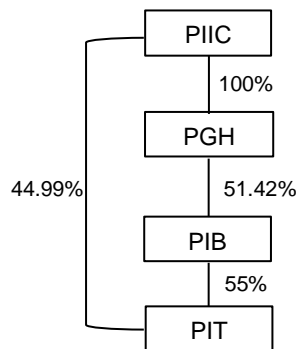
Prior to Proposed Shares Allotment

The corporate structure of PIT, before the Proposed Shares Allotment are as below:



Post Proposed Shares Allotment

The corporate structure of PIT, after the Proposed Shares Allotment are as below:



The Proposed Shares Allotment is the allotment of shares by the subsidiary of PIB to its major shareholder, Paragraph 6.06(1) of the Listing Requirements stipulated that a listed issuer must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:

- (a) a director, major shareholder or chief executive of the listed issuer or a holding company of the listed issuer (“interested director”, “interested major shareholder” and “interested chief executive”); or
- (b) a person connected with an interested director, interested major shareholder or interested chief executive (“interested person connected with a director, major shareholder or chief executive”).

Premised on the above, PIB shall seek the approval from its non-interested shareholders for the issuance and allotment of the Subscription Shares to PIIC in accordance with Paragraph 6.06(1) of the Listing Requirements.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION OF THE PROPOSED SHARES ALLOTMENT AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARES ALLOTMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARES ALLOTMENT TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARES ALLOTMENT

2.1 Salient terms of the Subscription Agreement

The salient terms of the Subscription Agreement are set out in Appendix I of this Circular.

2.2 Basis and justification in determining the issue price.

The subscription price of THB50 (equivalent to RM6.635) per share was arrived based on the mutual agreement of the Parties and the net assets per share of PIT as at 31 December 2022 of THB49.24 computed below, with the premium of THB163,636,000 (equivalent to RM21,714,497.20). PIIC is of the view that the prospects of PIT will be promising following the expansion of the factory and injection of know how expertise in the cable assembly and wire harness technical skills and production facilities that will benefit PIIC’s new electric vehicle (“EV”) project:

Net assets per share

The total equity of PIT as at 31 December 2022
Total no. of issued shares of PIT as at 31 December 2022

$$\frac{\text{THB } 246,186,813.40}{5,000,000} = \text{THB}49.24$$

2.3 Allotment of shares in PIT to major shareholder

As at the LPD, PIT is a 99.99% owned subsidiary of PIB, PIB is a 51.42% owned subsidiary of PGH, PGH in turn is the wholly-owned subsidiary of PIIC, as per the diagram illustrated in item 1 above.

The allotment of shares in PIT to PIIC is the allotment of shares by a subsidiary of PIB (namely PIT) to the major shareholder of PIB (namely PIIC).

Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi are the Directors of the Company and also the management representatives of PGH. As such, they are deemed related to PGH and PIIC by virtue of the fact that they are accustomed to or under an obligation, whether formal or informal, to act in accordance with the directors, instructions or wishes of PGH and PIIC.

Premised on the above, PIB shall seek the approval from its non-interested shareholders for the issuance and allotment of the Subscription Shares to PIIC in accordance with Paragraph 6.06(1) of the Listing Requirements.

2.4 Ranking of the Subscription Shares

The Subscription Shares shall, upon issuance and allotment, carry the same rights with the existing ordinary shares of PIT, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid for which the entitlement date falls before the date of allotment of the Subscription Shares.

2.5 Listing of and quotation for the Subscription Shares

The Subscription Shares will not be listed on Bursa Securities.

2.6 Utilisation of proceeds

The total gross proceeds raised from the Proposed Shares Allotment amounting to THB204,545,000 (equivalent to RM27,143,121.50) will be utilised as per the following breakdown and is expected to be fully utilised within 12 months from the completion date, the completion date being the date within fourteen (14) business days from the date the Subscription Agreement becomes unconditional or such other extended period as the Parties may mutually agree in writing, on which the Subscription Sum is paid by the Subscriber to PIT in full and the Subscription Shares issued and allotted to the Subscriber :-

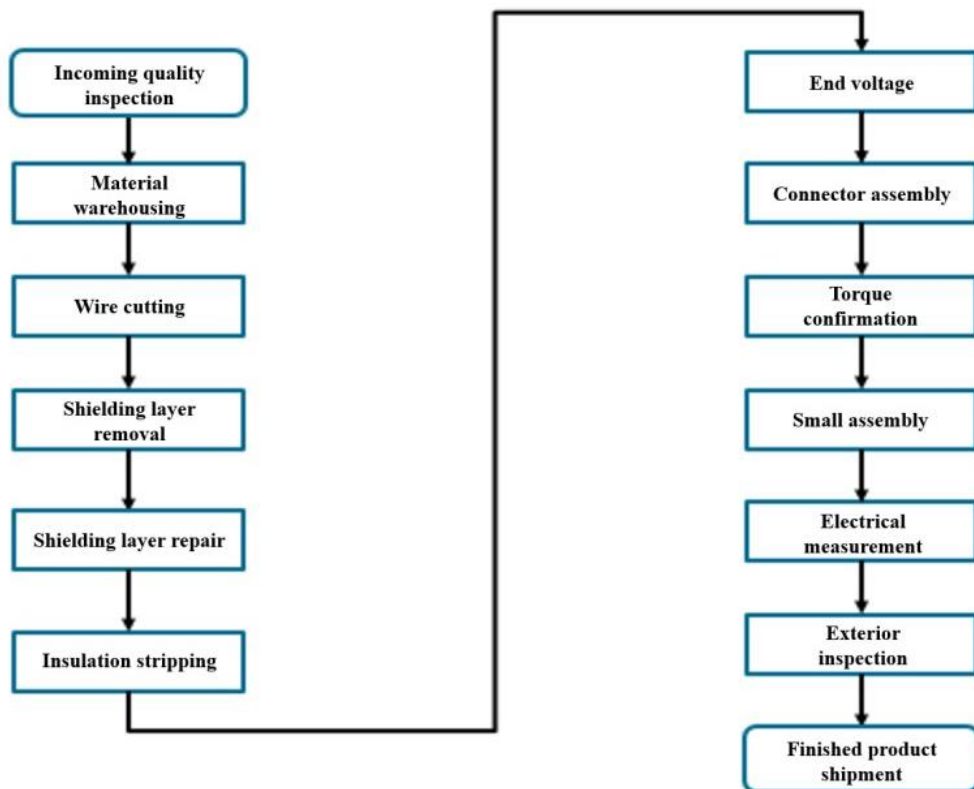
| <u>Description</u> | <u>Amount</u> | | <u>Expected timeframe to fully utilise the proceeds</u> |
|---|---------------|----------------------|---|
| | <u>THB</u> | <u>RM Equivalent</u> | |
| Expansion of its existing warehouse, production, canteen, parking lot and water supply system | 95,045,000.00 | 12,612,471.50 | Within 10 months |
| Renovation the office area | 42,000,000.00 | 5,573,400.00 | Within 6 months |

| | | | |
|--------------------------------------|-----------------------|----------------------|-------------------------|
| Renovation front of office area | 5,000,000.00 | 663,500.00 | <i>Within 6 months</i> |
| To rewire the mobile transformer box | 6,000,000.00 | 796,200.00 | <i>Within 1 month</i> |
| Installation of solar panels | 14,700,000.00 | 1,950,690.00 | <i>Within 1 month</i> |
| Purchase of land for its operation | 27,800,000.00 | 3,689,060.00 | <i>Within 2 months</i> |
| Building a hostel for its workers | 14,000,000.00 | 1,857,800.00 | <i>Within 12 months</i> |
| Total | 204,545,000.00 | 27,143,121.50 | |

The Subscription Sum to be paid by PIIC will be funded by internally generated funds of PIIC.

The expansion of the manufacturing facility for PIT's business on manufacturing of cable assembly and wire harness for the EV (the details of the wiring harness production process diagram are as below) and the setting up of cable assembly and wire harness manufacturing facilities as part of its business expansion plans and for investment purposes. The expansion would enable PIT to increase its existing production capacity and take on more orders. This is in line with PIB's corporate strategy of developing, expanding and growing the business operations of PIB Group.

Automobile high voltage wiring harness production process



PIT requires the renovation on the office area to enhance the image of the factory, modify the existing layout to optimise space usage, create collaborative work areas, expand the office space to accommodate a growing workforce. It will also add new office areas, meeting rooms and/or reconfiguring existing spaces.

Details of the land to be purchase for PIT's operations and its specific purposes are as below:

| | |
|---|--|
| Details of the land to be purchase (source: land title search results from land office) | Map Sheet 5237 6262-00 (4000) |
| Address | 43 Moo 9, Tumbon Dongkeeleak, Amphur Muang, Prachinburi Province, Thailand 25000 |

| | |
|--|--|
| Existing use | Vacant |
| Building and built-up area | N/A |
| Age of building | N/A |
| Date of certificates of fitness for occupation | 1 month after completion of transfer |
| Tenure | Freehold |
| Category of land use | General land |
| Land area | 19,200 sqm2 |
| Restriction-in-interest | N/A |
| Registered encumbrances | N/A |
| Purpose | New warehouse and dormitory for employee |

Following the expansion of PIT, a one storey hostel with 100 rooms will be constructed to accommodate the growing number of employees or approximately 400 employees. The built-up area of the hostel is 4,500 sqm2.

3. INFORMATION ON PIT

PIT was incorporated in Thailand as a private limited company on 21 August 1990. The principal activity of PIT is the manufacturing and distributing of cable assembly and wire harness, plastic parts for electrical appliances and electronics parts and printed circuit board (PCB) assembly to computer, communication and consumer electronics industries.

As at the LPD, the authorised share capital of PIT is THB50,000,000-00 divided into 5,000,000 ordinary shares of THB10 each of which 5,000,000 ordinary shares have been issued and credited as fully paid-up. As at LPD, the total paid-up capital of PIT is THB50,000,000-00. PIT is a 99.99% owned subsidiary of PIB. PIT does not have any subsidiary or associated company.

The directors of PIT and their shareholding in PIIC, PIB and PIT are as below:

| Directors | Shareholdings (%) in | | |
|----------------|---------------------------|-----|-----|
| | PIIC | PIB | PIT |
| Huang, Feng-An | 35,000 shares (0.01%) | - | - |
| Tsai Ming-Feng | 280,227 shares (0.05%) | - | - |
| Lee Yu-Hsien | - | - | - |

Before completion of the Subscription Agreement, the shareholdings of PIT is as follows:

| Shareholders | No. of shares | % |
|---------------|------------------|------------------|
| PIB | 4,999,998 | 99.99996 |
| Liu, Yu-Cheng | 1 | 0.00002 |
| PIIC | 1 | 0.00002 |
| Total | 5,000,000 | 100.00000 |

Upon completion of the Subscription Agreement, the shareholdings of PIT will be as follows:

| Shareholders | No. of shares | % |
|---------------|------------------|------------------|
| PIB | 4,999,998 | 55.00003 |
| PIIC | 4,090,901 | 44.99996 |
| Liu, Yu-Cheng | 1 | 0.00001 |
| Total | 9,090,900 | 100.00000 |

The summary historical financial information of the PIT for the past three (3) financial years is as follows:

| | Audited | | |
|------------------|--------------------------------|--------------------------------|--------------------------------|
| | FYE 31 December 2022 THB | FYE 31 December 2021 THB | FYE 31 December 2020 THB |
| Revenue | 283,814,766.21 | 202,916,012.66 | 176,807,316.44 |
| PAT/(LAT) | 6,273,540.19 | 8,880,807.09 | 1,839,492.61 |
| NA | 246,186,813.40 | 239,913,273.21 | 231,032,466.12 |
| Share capital | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 |
| Total borrowings | - | - | - |

| | Audited | | |
|------------------|--------------------------------|--------------------------------|--------------------------------|
| | FYE 31 December 2022 *RM | FYE 31 December 2021 *RM | FYE 31 December 2020 *RM |
| Revenue | 36,271,527.12 | 25,364,501.58 | 23,692,180.40 |
| PAT/(LAT) | 801,758.44 | 1,110,100.89 | 246,492.01 |
| NA | 31,462,674.75 | 29,989,159.15 | 30,958,350.46 |
| Share capital | 6,390,000.00 | 6,250,000.00 | 6,700,000.00 |
| Total borrowings | - | - | - |

**Based on the exchange rate of the respective FYE*

The original cost of investment in PIT by PIB is RM7,010,586 at the date of investment of 8 November 2005.

4. INFORMATION ON PIIC

PIIC was incorporated in Taiwan as a public company listed on the Taiwan Stock Exchange Corporation on 9 November 1993. The principal activity of PIIC and its subsidiaries are the development, manufacturing and sales of computer peripheral products and components such as electronic signal cables, connectors, electronic signal cables with connectors, precision molds, and printed circuit boards. PIIC is also the shareholder of PIT holding 1 ordinary share in the capital of PIT.

As at LPD, the total issued share capital of PIIC is TWD5,183,462,820 comprising of 518,346,282 ordinary shares at TWD10 per share.

As at LPD, PIIC is the holding company of PGH, where PGH is the direct major shareholder and substantial shareholder with 51.42% shareholding in PIB. Thus, making PIIC an indirect substantial shareholder of PIB, holding indirect shareholdings of 51.42% by virtue of its 100% shareholding in PGH.

The directors of PIIC and their shareholding in PIIC, PIB and PIT are as below:

| Directors | Position | Shareholdings in | | |
|------------------|----------------------|--------------------|-----|-----|
| | | PIIC | PIB | PIT |
| Lee, Kuang-Yao | Chairman | - | - | - |
| Huang, Feng-An | Director | 35,000 (0.007%) | - | - |
| Huang, Ying-Shih | Director | - | - | - |
| Cheng, Wen-Rong | Independent Director | - | - | - |
| Lin, Jing-Wei | Independent Director | - | - | - |
| Kuo, Ming-Yi | Independent Director | - | - | - |
| Chen, Chih-Keng | Independent Director | - | - | - |

5. OVERVIEW AND OUTLOOK OF THE MANUFACTURING INDUSTRY, ELECTRIC AND ELECTRONICS INDUSTRY, AND ELECTRIC VEHICLE INDUSTRY IN THAILAND.

The manufacturing sector in Thailand is highly competitive due to several factors, such as the abundance of raw materials, low-cost labor, and innovative technologies. The manufacturing industry is one of the main drivers of the Thai economy. Although the manufacturing sector's contribution to Thailand's gross domestic product (GDP) has fluctuated in the past decade, it contributed

approximately 4.4 trillion Thai baht in 2021. Compared to other important economic sectors, the manufacturing sector makes a greater impact on the Thai economy. It accounts for the majority of Thailand's total exports and generates a large volume of jobs, amounting to almost 6.3 million workers in 2021. As of the first quarter of 2023, the manufacturing sector's contribution to the Thai economy was 34 percent, preceding other major industries like service and trade.

Relying heavily on exports, the manufacturing industry is still suffering from the economic effects of the COVID-19 pandemic. This ranges from severe deflation to lower demand from worldwide buyers and less manufacturing output in general. The country's year-on-year MPI growth plummeted and hit rock bottom in the third quarter of 2020. However, as of the first quarter of 2023, the production index witnessed a decent rise compared to the previous year. Therefore, the Thai government introduced more initiatives to promote the manufacturing sector. This included encouraging collaborations between the public and private sectors, funding the manufacturing industry, and supporting knowledge development and new technologies. Since the beginning of 2023, there have been improvements in the Thai manufacturing industry, with the purchasing manager index (PMI) continuing to grow. In 2022, the USA led the export market for electrical appliances from Thailand, followed by ASEAN countries and the EU.

Before 1958, the Thai government and state enterprises oversaw the production of industrial goods in Thailand. Back then, Thailand imported a considerable number of auto parts and electronic parts from abroad. Attempting to develop the industrial sector, the government passed legislation to promote the sector, allowing the private sector to begin manufacturing. This led to the expansion of several manufacturing segments, such as electrical and electronic appliances, automobile parts, machines and accessories, food and beverages, and chemical products. As of April 2023, electronics and vehicles were the main manufactured goods exported from Thailand. This was followed by agricultural foods, foodstuffs, and machinery and equipment. Moreover, machinery and equipment scored the highest in terms of manufacturing production index (MPI) points.

(<https://www.statista.com/topics/9315/manufacturing-sector-in-thailand/#topicOverview>)

Thailand's EV market is projected to reach a revenue of US\$1,052.0m in 2023. This market is expected to experience an annual growth rate (CAGR 2023-2028) of 5.02%, resulting in a projected market volume of US\$1,344.0m by 2028.

The unit sales of EV market in Thailand are expected to reach 27.32k vehicles in 2028. Furthermore, the volume weighted average price of EV market in Thailand is expected to be US\$50.8k in 2023. In terms of international comparisons, in China is projected to generate the most revenue in the electric vehicles market, amounting to US\$292,100m in 2023. Thailand is rapidly emerging as a key player in the EV market, with government incentives and a growing charging infrastructure driving significant adoption.

(<https://www.statista.com/outlook/mmo/electric-vehicles/thailand>)

With the increasing demand for EV in Thailand and worldwide together with the support of local government, barring unforeseen circumstances, PIT should be able to augur well in EV market in the long term.

6. RATIONALE FOR THE PROPOSED SHARES ALLOTMENT

The Proposed Shares Allotment is in line with our Group's strategy to increase PIT's manufacturing facilities and production capacities in preparation for large orders and new projects for the sale of cable assembly and wire harness for the EV segment which is targeted to commence production by 2024. The overall renovation and installation of the production lines will improve the corporate identity and image of PIT to reflect the Group's reputation in the EV industry. This will allow PIT to unlock their potential in their area of expertise to attract potential customers which could contribute to the existing and other segments of the Group. Furthermore, the building of an employee hostel and the installation of solar panels form part of the Group's sustainability effort to promote the welfare of employees and tap into a sustainable source of energy as well as long term cost savings.

The equity participation ratio enables PIB to continue to have a controlling interest in PIT which allows them a greater number of board representation in PIT to dictate the business direction and financial management of PIT. Additionally, the controlling stake allows PIB to consolidate the financial result of PIT into PIB Group's financial statement, the consolidation of which is expected

to benefit the shareholders' value of PIB in the future.

After the completion of the Proposed Shares Allotment, PIB will still be the holding company of PIT with a shareholding of 55%.

PIT's decision to raise capital for the expansion of manufacturing facilities and production capacities through the issuance of shares, as opposed to alternative methods like borrowing, is based on the potential benefits to solvency ratios and leverage reduction. Opting for share issuance is seen as a strategic move that could positively impact the company's financial health and enhance its creditworthiness.

–PIT's current facilities supports simple wire harness assembly, which only meet simple automotive electronic wire assembly from existing customer's demand. The new EV wire harness technology is different due to the following:

- a. EV demands more than thousands of electronic circuits on low-voltage wire harnesses. The complexity of low-voltage wire harness assembly requires more advanced production processes.
- b. The high-voltage wiring harness requires use of high-voltage cables, for example the devices in the EV smart cockpit (including IVI, ADAS, smart driving, etc). PIT will need new equipment and machinery and a new production area to meet the manufacturing needs and automobile safety regulations.

Barring any unforeseen circumstance, the Proposed Shares Allotment is expected to contribute positively to the future earnings of our Group despite the dilution of its shareholding to 55% as the Subscription Sum would be utilised as shown in item 2.6 above. With the new technical know-how, PIT will be able to tap into EV market that is expected to contribute huge growth to PIT's revenue and profit margin.

7. EFFECTS OF THE PROPOSED SHARES ALLOTMENT

7.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Shares Allotment is not expected to have any effect on the issued share capital and the shareholdings of the substantial shareholders of PIB as it does not involve the issuance of ordinary shares in PIB.

7.2 NA and gearing

For illustrative purposes, based on the audited consolidated financial statements of PIB as at 31 December 2022, and assuming that the Proposed Shares Allotment had been effected on 1 December 2022, the pro forma effects of the Proposed Shares Allotment on the consolidated NA and gearing of the Group are as follows:

| | Audited as at 31 December 2022 | After the Proposed Shares Allotment |
|--|---------------------------------------|--|
| Share capital | 83,202,902.00 | 83,202,902.00 |
| Non-distributable reserves | 15,363,114.00 | 15,363,114.00 |
| Retained profits | 461,900,646.00 | 461,900,646.00 |
| Equity attributable to the owners of the Company | 560,466,662.00 | 560,466,662.00 |
| Non-controlling interest | - | (14,158,203.64) |
| Total equity | 560,466,662.00 | 560,466,662.00 |
| No. of shares | 384,041,985 | 384,041,985 |
| NA per share | 1.46 | 1.46 |
| Borrowings @ | 105,569,000.00 | 105,569,000.00 |
| Gearing ratio | 38% | 38% |

7.3 EPS

For illustrative purposes, the pro forma effects of the Proposed Shares Allotment on the earnings and EPS of the Group, based on the audited consolidated financial statements of PIB as at 31 December 2022, and on the assumption that the Proposed Shares Allotment had been effected on 1 December 2022, being the beginning of the financial year of the Group, are set out below:

| | Audited as at 31 December 2022 (RM) | Pro forma after the Proposed Shares Allotment |
|--|--|--|
| Profit for the financial year | 70,030,536.00 | 70,030,536.00 |
| Less: expected lower of return from dilution of shareholding | - | 360,791.30 |
| Pro forma profit for the financial year | 70,030,536.00 | 69,669,744.70 |
| | | |
| No. of shares | 384,041,985 | 384,041,985 |
| EPS (sen) | 0.1824 | 0.1814 |

7.4 Convertible securities

As at the LPD, the Proposed Shares Allotment is not expected to have any effect on the convertible securities of PIB.

8. APPROVALS REQUIRED

The Proposed Shares Allotment is conditional upon approvals being obtained from the non-interested shareholders of PIB at an EGM to be convened pursuant to Paragraph 6.06(1) of the Listing Requirements.

The Proposed Shares Allotment is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by PIB.

9. OTHER CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Our Board confirms that save for the Proposed Shares Allotment and the Proposed New Shareholders' Mandate, the approvals of which will be sought at our Company's forthcoming EGM, there are no other corporate proposals which have been announced but have yet to be completed as at the date of this Circular.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The direct and indirect interests of those Directors, Major Shareholders of the Company and persons connected to them who are interested in the Proposed Shares Allotment as at LPD are as follows:

| Directors | No. of ordinary shares held in the Company | | | |
|------------------|---|----------|--------------------------|----------|
| | Direct | % | Indirect | % |
| Mui Chung Meng | 10,000 | 0.00 | 2,460,000 ^(a) | 0.64 |
| Lan, Kuo-Yi | - | - | - | - |
| Lee Cheow Kooi | - | - | - | - |

| Major Shareholders | No. of ordinary shares held in the Company | | | |
|---------------------------|---|----------|-----------------|----------|
| | Direct | % | Indirect | % |
| PGH | 197,459,985 | 51.42 | - | - |

| Persons Connected to Directors or Major Shareholders | No. of ordinary shares held in the Company | | | |
|--|--|------|----------------------------|-------|
| | Direct | % | Indirect | % |
| PIIC | - | - | 197,459,985 ^(b) | 51.42 |
| Chung Lean Hwa ^(c) | 2,460,000 | 0.64 | - | - |

Notes

^(a) Deemed interested by virtue of the shares held by the spouse of Mui Chung Meng.

^(b) Deemed interested by virtue of its shareholding in PGH. PGH is a wholly-owned subsidiary of PIIC.

^(c) Spouse of Mui Chung Meng.

Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi (“Interested Directors”) are the Directors of the Company and also the management representatives of PGH. As such, they are deemed related to PGH and PIIC by virtue of the fact that they are accustomed to or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of PGH and PIIC.

Consequently, Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi have abstained and will continue to abstain from all deliberations and voting on the Proposed Shares Allotment at all board meetings. In addition, they will abstain from voting and undertake to ensure that persons connected with them, if any, to abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Shares Allotment to be tabled at the forthcoming EGM.

In compliance with paragraph 6.06(2) of the Listing Requirements, PGH and PIIC (by virtue of PIIC being the holding company of PGH), the interested major shareholders of the Company shall abstain from voting and undertake to ensure that the persons connected with them, if any, to abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Shares Allotment to be tabled at the forthcoming EGM.

The abovementioned Directors and Major Shareholders who are interested in the Proposed Shares Allotment have undertaken to ensure that persons connected with them shall abstain from voting on the resolution, deliberating or approving the Proposed Shares Allotment in respect of their direct and indirect shareholding (if any) to be tabled at the forthcoming EGM.

Save as disclosed above, there are no other Directors, Major Shareholders or persons connected to them (as defined in the Requirements) who have any direct or indirect interest in the Proposed Shares Allotment.

The Company has obtained the prior approval of its board of directors for the Proposed Shares Allotment.

11. DIRECTORS’ STATEMENT AND RECOMMENDATION

The Board (save for Interested Directors who has abstained from deliberating and voting in respect of the Proposed Shares Allotment at the relevant Board meetings), after having considered all aspects of the Proposed Shares Allotment, including but not limited to the rationale, the utilisation of proceeds and the effects of the Proposed Shares Allotment, is of the opinion that the Proposed Shares Allotment is fair and reasonable and in the best interest of PIB Group and that will not be detrimental to the interest of its minority shareholders.

Accordingly, our Board (save for the Interested Directors), recommends you vote in favour of the ordinary resolution pertaining to the Proposed Shares Allotment to be tabled at the forthcoming EGM.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Shares Allotment is expected to be completed by 31 March 2024.

13. EGM

The EGM will be held at the Conference Room of Pan-International Electronics (Malaysia) Sdn. Bhd., Plot 4, Jalan Jelawat 1, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang on Friday, 12 January 2024 at 9.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, *inter alia*, the ordinary resolution pertaining to the Proposed Shares Allotment.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the Proxy Form enclosed, in accordance with the instruction contained therein as soon as possible so as to arrive at the Registered Office of the Company at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than twenty-four (24) hours before the time set for the forthcoming EGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

14. FURTHER INFORMATION

For further information, please refer to the attached appendix which form part of this Circular.

Yours faithfully
For and on behalf of the Board of
P.I.E. INDUSTRIAL BERHAD

Lim Chien Ch'eng
Independent Non-Executive Chairman

PART B

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE
PROPOSED NEW SHAREHOLDERS' MANDATE**



P.I.E. INDUSTRIAL BERHAD
(Registration No. 199701008590 (424086-X))
(Incorporated in Malaysia)

Registered Office

51-8-A, Menara BHL
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang

28 December 2023

Board of Directors:

Lim Chien Ch'eng (*Independent Non-Executive Chairman*)

Mui Chung Meng (*Managing Director*)

Lan, Kuo-Yi (*Executive Director*)

Wong Thai Sun (*Independent Non-Executive Director*)

Koay San San (*Independent Non-Executive Director*)

Lee Cheow Kooi (*Non-Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

1. INTRODUCTION

On 29 November 2023, our Board announced that our Company proposes to seek the approval from our shareholders for the Proposed New Shareholders' Mandate at our forthcoming EGM which will permit our Group to enter into RRPTs, which are necessary for the day-to-day operations and are in the ordinary course of business of our Group.

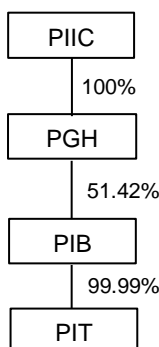
THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION OF THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

On 29 November 2023, The Board had announced that the PIT had on 28 November 2023 entered into a Subscription Agreement with PIIC for the Proposed Shares Allotment.

The corporate structure, before the Proposed Shares Allotment are as below:



Upon the completion of the Proposed Shares Allotment, PIB's shareholding will be diluted to 55% and with PIIC being the common major shareholder of PIB and PIT and Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi, being the Directors of the Company and also the management representatives of PGH. The transactions between our Group, PGH and PIT are thereby deemed related party transactions.

Hence, our Company proposes to seek a general mandate from our shareholders for our Company and/or its subsidiaries to enter into arrangements or transactions with PIT, which are necessary for the day-to-day operations of our Group and not to the detriment of the minority shareholders of our Company.

2.1 Provision under the Listing Requirements

Pursuant to Paragraph 10.09(1)(a) of the Listing Requirements, listed issuer with a share capital of RM60.0 million and above must immediately announce a RRPT as follows:-

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
- (ii) the percentage ratio of such RRPT is 1% or more; whichever is the higher.

Paragraph 10.09 (2) of the Listing Requirements provides that, where there are RRPTs, our Company may seek shareholders' mandate in respect of such transactions subject to among others, the following:

- (a) the transactions are in the ordinary course of business and are on the terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09 (1) of the Listing Requirements, as stated above;
- (c) our Company's Circular includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected to a Director or Major Shareholder and where the interest of an interested Person Connected to a Director or Major Shareholder is involved, such Director or Major Shareholder, must not vote on the resolution approving the transactions and an interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and

- (e) our Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by our Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Paragraph 10.08 of the Listing Requirements imposes obligations on listed issuers to make an immediate announcement and/or procure shareholders' approval when listed issuers and their subsidiaries enter into transactions with persons who are considered for the purposes of Chapter 10 of the Listing Requirements to be related parties. Where the Company has procured shareholders' mandate pursuant to the above, the provision of paragraph 10.08 of the Listing Requirements shall not apply during the period of validity of the shareholders' mandate.

2.2 Validity of the Proposed New Shareholders' Mandate

On the Annual General Meeting ("AGM") of the Company held on 19 May 2023, the Company had obtained approval from its shareholders to renew its existing RRPTs mandate. In this respect, our Company is seeking approval from the shareholders for the Proposed New Shareholders' Mandate which will allow our Group, in their ordinary course of business, to enter into the category of RRPTs disclosed in Part B, Section 2.6 of this Circular with PIT, provided such transactions are made at arms' length and are not to the detriment of the minority shareholders of our Company.

The Proposed New Shareholders' Mandate, if approved by our shareholders at the forthcoming EGM, shall take effect from the date of passing of the resolution proposed at the forthcoming EGM and will continue to be in force until:

- (a) the conclusion of the next AGM of our Company following the forthcoming EGM at which such ordinary resolution is passed to effect the Proposed New Shareholders' Mandate, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of our Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) The Proposed New Shareholders' Mandate is revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

2.3 Disclosure in Annual report

Disclosure will be made in our Company's annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs made during the financial year pursuant to the Proposed New Shareholders' Mandate and the existing mandate obtained during AGM based on the following information:

- (a) type of Recurrent Related Party Transactions made; and
- (b) names of the Related Parties involved in each type of the RRPT made and their relationship with our Company.

2.4 Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) Directors;
- (b) Major Shareholders; and

(c) Persons Connected with the Directors and/or Major Shareholders.

2.5 Principal activities of our Group

The Company is principally involved in investment holding and providing management services to its subsidiary companies. The principal activities of PIB Group are as follows:

| Subsidiaries of PIB | % of ownership | Principal activities |
|------------------------------|-----------------------|---|
| PIESB | 100 | Contract Electronic Manufacturing (CEM) services and cable and PCB assemblies and manufacture of fixed and handheld barcode readers and its related sub-assembly. |
| PIWSB | 100 | Manufacturing of wires and cables for electronics devices and cable moulding compounds. |
| PIT | 55 | Manufacture and distribution of cable assembly and wire harness, plastic parts for electrical appliances and electronics parts and PCB assembly to computer, communication and consumer electronics industries. |
| Associates of PIB | % of ownership | Principal activities |
| Skyway | 50 | Provision of Consultancy Services and trading of artificial grass. |
| Subsidiaries of PIESB | % of ownership | Principal activities |
| PIE Enterprise | 100 | Trading of peripheral products of computer, telecommunication, consumer electronics and cable assembly products and manufacture, refurbishment and sale of electronics appliances. |
| Subsidiaries of PIWSB | % of ownership | Principal activities |
| PIW Enterprise | 100 | Dormant. |
| Associates of PIESB | % of ownership | Principal activities |
| PIS | 30 | Marketing and trading of electronic and telecommunication components and equipment. |

It is envisaged that, in the normal course of our Group's businesses, transactions of a revenue or trading nature between the above companies in our Group and PIT are likely to occur, which are necessary for its day-to-day operations. The details of the RRPTs contemplated under the Proposed New Shareholders' Mandate are set out in Part B, Section 2.7 of this Circular.

2.6 The principal activities of the other transacting party

The principal activities of the other related transacting party that are involved in the RRPTs with the PIB Group are set out below: -

| Other transacting party | Principal activities |
|--------------------------------|--|
| PIIC | Manufacturing, selling, and trading of cable, connector, wire harness, PCB, LCM and electronic components. |

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2.7 Details of the RRPTs and the Related Parties

The class and nature of the RRPTs of our Group are as follows:

| Companies within the Group involved in RRPT | Related Party with whom the Group is transacting | Nature of Transactions | Estimated value as disclosed in the Circular to shareholders dated 20 April 2023 (“Estimated Value”) | Actual value transacted (“Actual Value”) [^] | Estimated value from forthcoming EGM to next AGM [@] |
|---|--|---|--|---|---|
| | | | (RM) | (RM) | (RM) |
| PIESB | PIT | PIT intends to purchase connector terminal housing electronic parts / electronic components from PIESB. | NIL | 2,955,291.42 | 10,000,000.00 |
| | | PIT intends to purchase machineries from PIESB. | NIL | 121,704.23 | 5,000,000.00 |
| | | PIT intends to sell wire harness assembly/ cable assembly/ turnkey products to PIESB. | NIL | 7,390,770.84 | 10,000,000.00 |
| PIWSB | PIT | PIT intends to purchase raw wire and cable/cable assembly products from PIWSB. | NIL | 674,849.62 | 5,000,000.00 |
| | | PIT intends to sell wire harness assembly/ cable assembly/ turnkey products to PIWSB. | NIL | NIL | NIL |

Notes:

The RRPT covered by this Proposed New Shareholders’ Mandate are in compliance with the Listing Requirements and PN12.

[^] The actual value transacted of RRPT from the date on which the existing mandate was obtained up to the LPD.

[@] From the date of forthcoming EGM up to date of the next AGM. The estimated value for mandate is based on management forecast of projects that have been undertaken and anticipated projects to be secured. The estimated value is subject to changes.

2.8 Review procedures in relation to RRPTs

The PIB Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed New Shareholders' Mandate are undertaken on an arm's length basis and on normal commercial transaction prices and terms which are generally not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:-

(i) Methods for Determination of Transaction Price

- i. The transaction prices and the terms and conditions are determined by current market forces under similar commercial terms and normal trade practices for transactions with third parties.
- ii. The Group shall ensure that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- iii. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Group's pricing for the products/services to be supplied/provided and/or purchased/received will be determined in accordance with the Group's usual business practices and policies, which are on terms not more favourable to the related parties than those extended to third parties/public and not to the detriment of minority shareholders of the Company.

(ii) Thresholds for Approval of RRPT

There are no specific thresholds for the approval of RRPT within the Group. All the RRPT will be monitored by the management and reviewed by the Audit Committee and approved by the Board of Directors. If the RRPT has not obtained the shareholders' mandate or has exceeded the shareholders' mandate whereby, an announcement shall be made to Bursa Securities.

(iii) Monitoring of RRPT

- (a) A list of related parties shall be circulated within the Group from time to time for reference and at the same time, the related party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (b) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (c) Records will be maintained by the Company for Audit Committee's review in order to capture all RRPT which are entered pursuant to the shareholders' mandate.
- (d) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed New Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (e) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (f) The Board and the Audit Committee shall have overall responsibility for the determination of review procedures with authority to sub-delegate to

individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board and the Audit Committee respectively in respect of the said transaction.

- (g) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated in Section 2.6(i) of this Circular are inadequate and to ensure that:-

- (i) the RRPT will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures. The Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed New Shareholders' Mandate, the interested director, interested major shareholder or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions.

2.9 Amount due from Related Parties

Our Group, as part of its credit management practices, will carry out periodic reviews to ensure that all amounts owing by the Related Parties are paid within the credit period.

As at the LPD, there is no outstanding amount due to our Company from the Related Parties pursuant to the Recurrent Related Party Transactions that exceeded the credit period.

2.10 Audit Committee Statement

The Audit Committee of the Company has seen and reviewed the procedure mentioned in section 2.8 above and is of the view that:-

- i. The procedures and processes are sufficient to ensure that the RRPT are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders; and
- ii. The Group have in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

3. RATIONALE AND BENEFIT FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

3.1 Rationale for the Proposed New Shareholders' Mandate

The rationale for the Proposed New Shareholders' Mandate is to enable PIB Group to obtain general mandate from its shareholders for the RRPT. On the whole, the RRPT are considered by the Directors of PIB to be beneficial to the PIB Group as they constitute

recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations of PIB Group, and which contribute to the generation of their turnover.

It is envisaged that in the normal course of business of PIB Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time.

Some of these RRPT may be time-sensitive and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPT.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing administrative time and cost associated with the convening of such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to PIB Group.

3.2 Benefits of the Proposed New Shareholders' Mandate

Some of the benefits to be derived from the Proposed New Shareholders' Mandate of these RRPTs are:-

- (i) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (ii) facilitate transactions with Related Parties which are in the ordinary course of business of PIB Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (iii) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (iv) eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the PIB Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

4. EFFECT OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any effect on the issued share capital of our Company and the substantial shareholders' shareholdings and is not expected to have a material effect on the NA per Share and gearing of our Group.

5. APPROVAL REQUIRED

The Proposed New Shareholders' Mandate is subject to our shareholders' approval being obtained at the forthcoming EGM to be convened.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The direct and indirect interests of those Directors, Major Shareholders of the Company and persons connected to them who are interested in the Proposed Shares Allotment as at LPD are as follows:

| Directors | No. of ordinary shares held in the Company | | | |
|----------------|--|------|--------------------------|------|
| | Direct | % | Indirect | % |
| Mui Chung Meng | 10,000 | 0.00 | 2,460,000 ^(a) | 0.64 |
| Lan, Kuo-Yi | - | - | - | - |
| Lee Cheow Kooi | - | - | - | - |

| Major Shareholders | No. of ordinary shares held in the Company | | | |
|--------------------|--|-------|----------|---|
| | Direct | % | Indirect | % |
| PGH | 197,459,985 | 51.42 | - | - |

| Persons Connected to Directors or Major Shareholders | No. of ordinary shares held in the Company | | | |
|--|--|------|----------------------------|-------|
| | Direct | % | Indirect | % |
| PIIC | - | - | 197,459,985 ^(b) | 51.42 |
| Chung Lean Hwa ^(c) | 2,460,000 | 0.64 | - | - |

Notes

^(a) Deemed interested by virtue of the shares held by the spouse of Mui Chung Meng.

^(b) Deemed interested by virtue of its shareholding in PGH. PGH is a wholly-owned subsidiary of PIIC.

^(c) Spouse of Mui Chung Meng.

Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi ("Interested Directors") are the Directors of the Company and also the management representatives of PGH. As such, they are deemed related to PGH and PIIC by virtue of the fact that they are accustomed to or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of PGH and PIIC.

Consequently, Mui Chung Meng, Lan, Kuo-Yi and Lee Cheow Kooi have abstained and will continue to abstain from all deliberations and voting on the Proposed New Shareholders' Mandate at all board meetings. In addition, they will abstain from voting and undertake to ensure that persons connected with them, if any, to abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

In compliance with paragraph 10.09(2)(d) of the Requirements, PGH and PIIC (by virtue of PIIC being the holding company of PGH), the interested major shareholders of the Company shall abstain from voting and undertake to ensure that the persons connected with them, if any, to abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

The abovementioned Directors and Major Shareholders who are interested in the Proposed New Shareholders' Mandate have undertaken to ensure that persons connected with them shall abstain from voting on the resolution, deliberating or approving the Proposed New Shareholders' Mandate in respect of their direct and indirect shareholding (if any) to be tabled at the forthcoming EGM.

Save as disclosed above, there are no other Directors, Major Shareholders or persons connected to them (as defined in the Requirements) who have any direct or indirect interest in the Proposed New Shareholders' Mandate.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors who have abstained from deliberating and voting in respect of the Proposed New Shareholders' Mandate at the relevant Board meetings), after having considered the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of PIB Group.

Accordingly, our Board (save for the Interested Directors), recommends you vote in favour of the ordinary resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

The EGM will be held at the Conference Room of Pan-International Electronics (Malaysia) Sdn. Bhd., Plot 4, Jalan Jelawat 1, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang on Friday, 12 January 2024 at 9.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, *inter alia*, the ordinary resolution pertaining to the Proposed New Shareholders' Mandate.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the Proxy Form enclosed, in accordance with the instruction contained therein as soon as possible so as to arrive at the Registered Office of the Company at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than twenty-four (24) hours before the time set for the forthcoming EGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

For further information, please refer to the attached appendix which form part of this Circular.

Yours faithfully
For and on behalf of the Board of
P.I.E. INDUSTRIAL BERHAD

Lim Chien Ch'eng
Independent Non-Executive Chairman

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

(a) Subscription Shares, Payment terms and CompletionSubscription Shares

Subject to the terms and conditions of the Subscription Agreement, PIT agrees to issue and allot to PIIC and PIIC agrees to subscribe for a total of 4,090,900 new ordinary shares in PIT at the subscription price of THB50 (equivalent to RM6.635) per ordinary share (“Subscription Shares”), at the total subscription sum of THB204,545,000.00 (equivalent to RM27,143,121.50), in cash (“Subscription Sum”).

Payment terms and Completion

Upon the Subscription Agreement becomes unconditional, PIIC shall subscribe for Subscription Shares at the Subscription Sum, in cash, within fourteen (14) business days from the date the Subscription Agreement becomes unconditional, or such other extended period as the Parties may mutually agree in writing.

Within fourteen (14) business days from the date the Subscription Sum has been received, PIT shall issue and deliver to PIIC the share certificate in respect of the Subscription Shares.

The completion of Proposed Shares Allotment shall be date when the Subscription Sum is paid by PIIC to PIT in full and the Subscription Shares is issued and allotted to PIIC.

Upon completion of the Proposed Shares Allotment, the shareholding in PIT is as follows:

| Shareholders | No. of Ordinary Shares | % |
|---------------------|-------------------------------|------------------|
| PIB | 4,999,998 | 55.00003 |
| PIIC | 4,090,901 | 44.99996 |
| Liu, Yu-Chen | 1 | 0.00001 |
| Total | 9,090,900 | 100.00000 |

(b) Conditions Precedent

The Subscription Agreement is conditional upon on the following conditions being fulfilled within 3 months from the date of the Subscription Agreement or such extended period as the parties may mutually agree in writing (“Conditions Period”):-

- (a) if applicable, PIT to obtain the relevant approvals and/or consents from PIT’s financier, relevant authorities or regulators in respect of any change of shareholding resultant from the Proposed Shares Allotment to PIIC;
- (b) if required, to obtain shareholders’ approval of the holding company of PIT, namely PIB at the general meeting in respect of the Proposed Shares Allotment to PIIC;
- (c) if required, to obtain shareholders’ approval of PIIC at its general meeting in respect of the Proposed Shares Allotment to PIIC;
- (d) if required, the approvals, consents, authorisations, permits or waivers of any relevant authorities and/or any other third parties necessary or appropriate to carry out the increase in the issued shares and/or allotment and issue of the Subscription Shares pursuant to the terms of the Subscription Agreement having been obtained; and

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (Cont'd)

- (e) if applicable, to amend the Article of Association of PIT pursuant to the allotment and issuance of the Subscription Shares in relation to the Proposed Shares Allotment to PIIC.

(c) Default and Termination

The following events shall be an event of default, if:

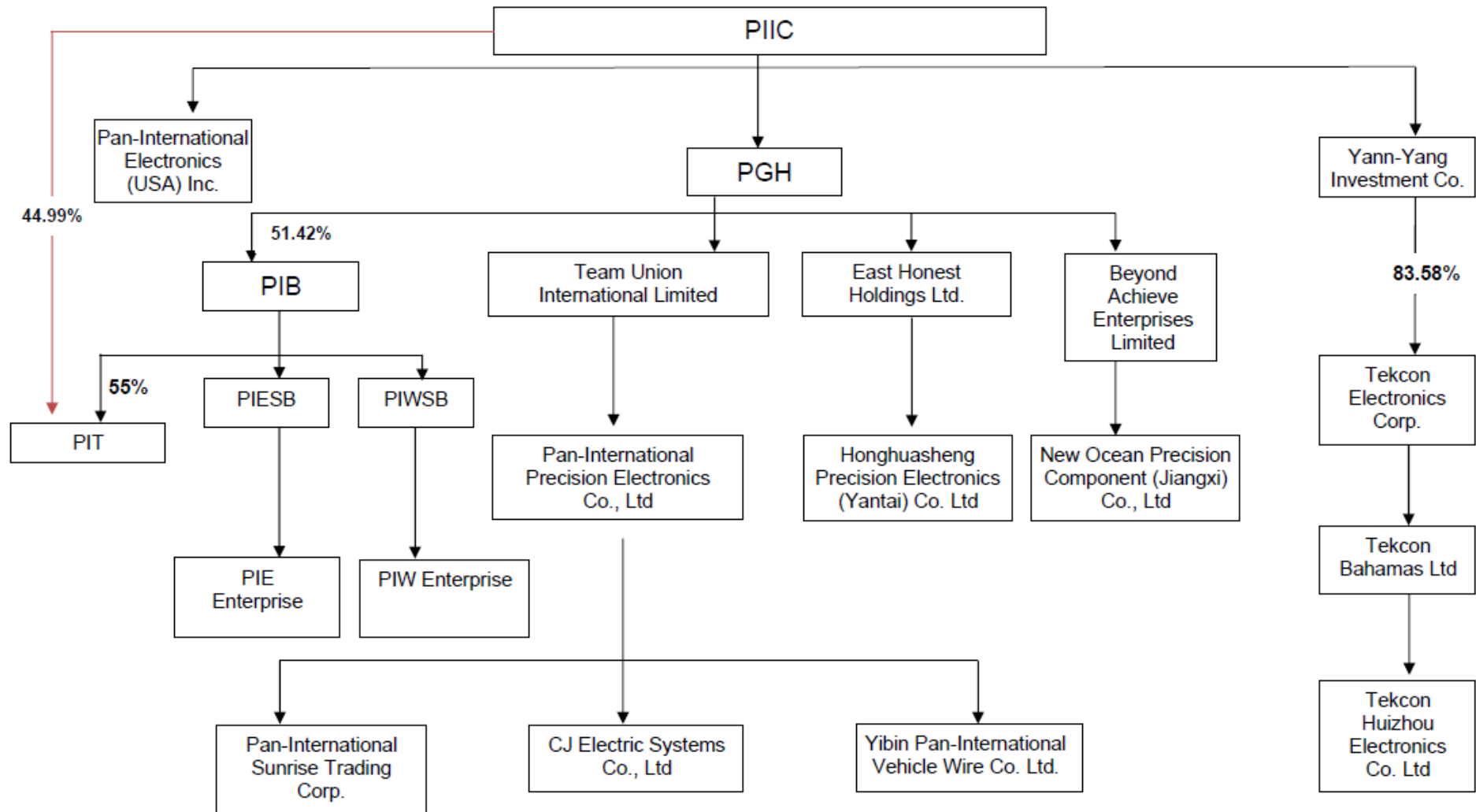
- (i) any of the conditions precedent is not satisfied by the Conditions Period; or
- (ii) a Party fails to perform its completion obligations as required under the Subscription Agreement; or
- (iii) PIIC shall for any reason fail or refuse to complete the subscription of the Subscription Shares on or after the Subscription Agreement becomes unconditional; or
- (iv) any Party commits a material breach of any of its obligations including the warranties under the Subscription Agreement; or
- (v) any of the appeal applications for the approvals referred to in conditions precedent is rejected; or
- (vi) any of the Parties is or becomes insolvent including any winding up petition is made against any of the Parties;

and on such notice being given, the Subscription Agreement shall be terminated and upon such termination, the Subscription shall cease to have any further force or effect, except in respect of any antecedent breach of the Subscription Agreement (including to recover all cost and expenses paid and expanded pursuant to or arising from the Subscription Agreement).

In respect of items (ii), (iii) and (iv), the non-defaulting party may serve a notice of default ("Default Notice") to the defaulting party, which is if capable of remedy, fail to remedy within thirty (30) business days after being given such Default Notice, on the expiry of the Default Notice and without prejudice to any of its other rights, then the non-defaulting party may either claim for:

- (i) specific performance of the terms of the Subscription Agreement; or
- (ii) terminate the Subscription Agreement and claim for actual/specific damages.

CORPORATE STRUCTURE OF PIIC



Note : All the abovementioned subsidiary are wholly-owned save for those indicated with shareholding.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of PIB and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

As at the LPD, there are no material contracts or agreements (not being contracts entered into in the ordinary course of business) which have been entered into by the PIB Group during the two (2) years preceding the date of this Circular.

3. MATERIAL LITIGATION

Save as disclosed below, the PIB Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against PIB Group or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the PIB Group.

PIESB, a wholly owned subsidiary company of the Company had received demand letters dated 2 February 2015, 19 March 2015, 22 June 2015 and 21 July 2015 from the Royal Malaysian Customs regarding short collection of import duty and sales tax from PIESB amounting to RM8,432,282.51 and RM841,342.00 respectively.

PIESB had received a letter from the Royal Malaysian Customs in January 2016 blacklisting the directors of PIESB from leaving and entering the country with the Immigration Department of Malaysia. PIESB subsequently filed a judicial review application with the High Court of Malaya at Penang to challenge the action of the Royal Malaysian Customs to blacklist their directors and the Royal Malaysian Customs agreed to lift the blacklisting of the directors of PIESB on the condition that PIESB pays a bank guarantee. Upon such request of the Royal Malaysian Customs and advice from PIESB's consultant, PIESB had paid 20% of the total amount demanded by the Royal Malaysian Customs on January and July 2016 respectively as payment under protest to commence the appeal process. To date, the Royal Malaysian Customs had not filed any civil suit against PIESB in respect of the unpaid import duty and sales tax from PIESB amounting to RM8,432,282.51 and RM841,342.00 respectively. PIESB had on 20 April 2016 filed an appeal with the Minister of Finance and such appeal was refused by the Minister of Finance on 31 October 2017. Subsequently, PIESB filed a judicial review application with the High Court of Malaya at Penang on 19 January 2018 to challenge the decision of the Minister of Finance in refusing PIESB's appeal. The judicial review application was fixed for hearing on 4 May 2018 and subsequently adjourned to 8 October 2018. The High Court judge dismissed PIESB's application for judicial review. Following the dismissal by the High Court, PIESB had submitted the case to the Court of Appeal for further review. The Case Management and hearing date in the Court of Appeal had been fixed on 18 February 2019, 24 June 2019 and 23 July 2019 respectively. The Court of Appeal had decided that the appeal was premature since there was no documentary evidence showing that the then Minister of Finance had dismissed PIESB's appeal for remission of the import duties and sales tax. Subsequently, PIESB had resubmitted a fresh appeal letter to Minister of Finance on 7 October 2019 to request the Minister of Finance to reconsider and allow its appeal for the remission of the import duties and sales tax. PIESB submitted another appeal letter to the Minister of Finance on 10 November 2021. On 17 November 2021, the Royal Malaysian Customs has called on the CIMB Banker's Guarantee. However, negotiation was carried out between PIESB's external consultant and the Royal Malaysian Customs to stop the calling of the CIMB Banker's Guarantee and the Royal Malaysian Customs conceded to monthly instalments by PIESB instead. In December 2021, an additional payment of RM741,889.96 had been made by PIESB to the Royal Malaysian Customs based on a notice of demand received

FURTHER INFORMATION (Cont'd)

from the Royal Malaysian Customs. Taking into account the payments made by PIESB to the Royal Malaysian Customs thus far, the estimate of PIESB's maximum exposure to liabilities currently stands at RM6,677,009.65.

On 4 January 2022, PIESB managed to get a secure letter from the Minister of Finance, which was copied to the Royal Malaysian Customs, requesting for the Royal Malaysian Customs to stop on the Banker's Guarantee claims, and to stall the monthly instalment payments until June 2022, or until the Minister of Finance arrive with the final decision (whichever earlier). PIESB has also appealed to the Malaysian Investment Development Authority/Ministry of International Trade and Industry for further advise on this case and pending for final decision. The case has been referred to Legal/Law Department in the Minister of Finance for further decision as informed by Puan Faeza Afandi, Penolong Setiausaha Bahagian Cukai.

Whilst the external consultant of PIESB is still awaiting for a reply from the Minister of Finance on their decision, the external consultant believes that the chances of PIESB's appeal being allowed by the Ministry of Finance is reasonably good.

4. MATERIAL COMMITMENT

As at the LPD, the Board is not aware of any material commitment incurred or known to be incurred by PIB Group, which upon becoming enforceable, may have a material impact on the financial position of PIB Group.

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any material contingent liability incurred or known to be incurred by PIB Group, which upon becoming enforceable, may have a material impact on the financial position of PIB Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang during normal business hours from Monday to Friday (except public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) a copy of the Subscription Agreement;
- (iii) PIB Group's audited financial statement for the past two (2) FYEs 31 December 2021 to 2022 and the latest unaudited quarterly report for the nine (9) months FPE 30 September 2023.



P.I.E. INDUSTRIAL BERHAD
(Registration No. 199701008590 (424086-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of P.I.E. Industrial Berhad ("**PIB**" or the "**Company**") will be held at the Conference Room of Pan-International Electronics (Malaysia) Sdn. Bhd., Plot 4, Jalan Jelawat 1, Seberang Jaya Industrial Estate, 13700 Prai, Pulau Pinang on Friday, 12 January 2024 at 9.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ISSUANCE AND ALLOTMENT OF 4,090,900 NEW ORDINARY SHARES AT AN ISSUE PRICE OF THB50 (EQUIVALENT TO RM6.635) PER SHARE, REPRESENTING 44.99% EQUITY INTEREST IN PAN INTERNATIONAL ELECTRONICS (THAILAND) COMPANY LIMITED, A 99.99% OWNED SUBSIDIARY OF P.I.E INDUSTRIAL BERHAD ("PIB" OR THE "COMPANY") TO PAN-INTERNATIONAL INDUSTRIAL CORPORATION, THE ULTIMATE HOLDING COMPANY OF PIB ("PROPOSED SHARES ALLOTMENT")

"**THAT**, subject to the approvals being obtained from all relevant authorities and parties, approval be and is hereby given to Pan International Electronics (Thailand) Company Limited ("**PIT**"), being a subsidiary of the Company, to allot and issue 4,090,900 new ordinary shares in PIT ("**Subscription Share(s)**") at an issue price of THB50 (equivalent to RM6.635) per Subscription Share, representing 44.99% equity interest in PIT, a 99.99% owned subsidiary of PIB, to Pan-International Industrial Corporation ("**PIIC**"), the ultimate holding company of the Company, upon the terms and conditions as stipulated in the subscription agreement entered into between PIIC and PIT.

THAT the Subscription Shares shall, upon issuance and allotment, rank pari passu in all respects with the existing shares in PIT, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date falls before the date of allotment of such Subscription Shares.

AND THAT any one (1) of the Directors of the Company be and is hereby authorised to sign, execute and deliver on behalf of the Company all necessary documents and do all acts and things as may be required for or in connection with and to give full effect to the Proposed Shares Allotment in PIT to PIIC, with full and discretionary power to assent or make any conditions, variations, revisions, modifications and/or amendments as they may consider to be in the best interest of the Company, or that may be required by any relevant authorities and to take all such steps as well as to execute all such documents as they may deem necessary or expedient in order to implement, complete and do all such acts and things to finalise and give full effect to the Proposed Shares Allotment in PIT to PIIC."

ORDINARY RESOLUTION 2

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

"**THAT** approval be and is hereby given to the Company and/or its subsidiaries ("**Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties ("**Recurrent Related Party Transactions**") as set out in Part B, Section 2.7 of the Circular to Shareholders dated 28 December 2023 ("**Circular**") provided that such transactions and/or arrangements are:

- (i) on an arms' length basis and on normal commercial terms which are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions by the Group conducted pursuant to shareholders'

mandate during the financial year; and

- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the EGM at which this shareholders' mandate is approved, at which time it will lapse, unless by an ordinary resolution passed at that AGM, such authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act);or
 - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is the earliest.

THAT any one (1) of the Director of the Company be and is hereby authorised to sign, execute and deliver on behalf of the Company all necessary documents and do all acts and things as may be required for or in connection with and to give full effect to the Proposed New Shareholders' Mandate, with full and discretionary power to assent or to make any conditions, variations, revisions, modifications and/or amendments as they may consider to be in the best interest of the Company, or that may be required by any relevant authorities and to take all such steps as well as to execute all such documents as they may deem necessary or expedient in order to implement, complete and do all such acts and things to finalise and give full effect to the Proposed New Shareholders' Mandate.

AND THAT as the estimates given for the Recurrent Related Party Transactions specified in Part B, Section 2.7 of the Circular being provisional in nature, any one (1) of the Director of the Company be and is hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Part B, Section 2.8 of the Circular."

By Order of the Board

WONG YEE LIN (MIA15898)
SSM PC NO. 201908001793
HING POE PYNG (MAICSA 7053526)
SSM PC NO. 202008001322
Joint Company Secretaries
Penang

Dated: 28 December 2023

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the EGM, the Company shall be requesting the Record of Depositors as at 4 January 2024. Only a depositor whose name appears on the Record of Depositors as at 4 January 2024 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/ her stead.
2. A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend and to vote in his/her place. If a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than 24 hours before the time appointed for holding the meeting.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM, and any adjournment thereof.



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

PROXY FORM

| | | | |
|-----------------------------|--|-----------------|--|
| No. of Ordinary Shares held | | CDS Account No. | |
| Contact No. | | Email Address | |

*I/We _____ (NRIC no./Passport No. _____)
of _____

being a member of P.I.E Industrial Berhad hereby appoint (Proxy 1) _____ (NRIC
no./Passport No. _____) and*/or failing him* (Proxy 2), _____
_____ (NRIC no./Passport No. _____) of _____

_____ and*/or failing him*, the Chairman of the Meeting, as
my/our proxy(ies), to vote for me/us on my/our behalf at the EXTRAORDINARY GENERAL MEETING (“EGM”) of the Company to be held at
the Conference Room of Pan-International Electronics (Malaysia) Sdn. Bhd., Plot 4, Jalan Jelawat 1, Seberang Jaya Industrial Estate, 13700
Prai, Pulau Pinang on 12 January 2024 at 9.00 a.m. and at any adjournment thereof as indicated below:

The proportions of *my/our holdings to be represented by *my/our proxy(ies) are as follows:

| | | | |
|---------|---|---------|---|
| Proxy 1 | % | Proxy 2 | % |
|---------|---|---------|---|

In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on my/our behalf. *I/We hereby indicate with an “X” in the spaces provided
how *I/we wish *my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

** Strike out whichever is inapplicable*

| RESOLUTIONS | | For | Against |
|-----------------------|-----------------------------------|-----|---------|
| Ordinary Resolution 1 | Proposed Shares Allotment | | |
| Ordinary Resolution 2 | Proposed New Shareholders’Mandate | | |

Signed this ___ day of _____, 2023/2024. Signature / Common Seal of Shareholder _____

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the EGM, the Company shall be requesting the Record of Depositors as at 4 January 2024. Only a depositor whose name appears on the Record of Depositors as at 4 January 2024 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/ her stead.
2. A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend and to vote in his/her place. If a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than 24 hours before the time appointed for holding the meeting.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Companies Secretaries

P.I.E. INDUSTRIAL BERHAD

Registration No.199701008590 (424086-X)

(Incorporated in Malaysia under the Companies Act 2016)

51-8-A Menara BHL, Jalan Sultan Ahmad Shah,
10050 George Town, Pulau Pinang

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