



PMB TECHNOLOGY BERHAD

Registration No. 200201016594 (584257-X)

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MINUTES OF THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD AT ROOM TUNKU ABDUL RAHMAN, THE ROYAL COMMONWEALTH SOCIETY OF MALAYSIA, NO. 4, JALAN BIRAH, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, MALAYSIA ON MONDAY, 29 MAY 2023 AT 10.30 A.M.

Present:

Directors

Tan Sri Dato' Koon Poh Keong (Chairman and also Shareholder)
Koon Poh Ming (Also Shareholder)
Koon Poh Weng (Also Shareholder)
Dato' Koon Poh Tat (Also Shareholder)
Loo Lean Hock
Ernest Bong Miao Fatt (Also Shareholder)
Noor Alina Binti Mohamad Faiz

In Attendance

Wan Shuw Yee – Financial Controller
Tan Ai Ning - Company Secretary
Mr Eric Kuo Sze-Wei - External Auditor from KPMG PLT

The list of shareholders and proxies who attended the Twenty-First Annual General Meeting (“**21st AGM**”) are as set out in the Attendance Sheets and shall form an integral part of these minutes.

CHAIRMAN

The Chairman of the Board of Directors (“**Board**”), Tan Sri Dato' Koon Poh Keong presided as Chairman of the Meeting and welcomed all members, proxies and guests to the 21st AGM of the Company.

Tan Sri Dato' Chairman thereafter introduced the members of Board, Financial Controller, Company Secretary, and the External Auditors to the shareholders and proxies as well as the representative from Minority Shareholders Watch Group (“**MSWG**”).

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NOTICE OF MEETING

The Notice convening the Meeting, having been circulated in the prescribed period, was with the consent of the members present, taken as read.

QUORUM AND SUMMARY OF PROXIES RECEIVED

The Company Secretary confirmed that a quorum was present for the Meeting. With the requisite quorum being present, the Chairman called the Meeting to order at 10.30 a.m.

The Company Secretary then informed that based on the report issued by the Poll Administrator of the Company, a total of 86 proxy forms received from shareholders for a total of 944,067,290 ordinary shares representing 75.20% of the issued shares of the Company. Out of those, there were 61 shareholders appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 410,040,509 ordinary shares representing 32.66% of the issued shares of the Company.

POLLING AND ADMINISTRATIVE GUIDE

Tan Sri Dato' Chairman informed the Meeting that pursuant to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions set out in the Notice of the 21st AGM must be voted by poll. Accordingly, Tan Sri Dato' Chairman directed all the resolutions set out in the Notice of the 21st AGM be conducted by way of poll.

Shareholders and proxies were encouraged to participate at the AGM and announce their name when raising question.

Tan Sri Dato' Chairman further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd to conduct the poll voting and SKY Corporate Services Sdn Bhd as the Independent Scrutineer to verify the poll results. The results of the poll voting will be announced after the Scrutineer verified the poll results.

Shareholders and proxies were also informed that the polling process will be conducted after the deliberation of all items on the Agenda.

PRESENTATION

Prior to the proceedings of the Agenda, a video presentation of the Company was shared to the shareholders and proxies. Ms Joyce Koon also took the opportunity to brief all present on the updates of the Group's performance for the financial year ended 31 December 2022.

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AS ORDINARY BUSINESS

1. AUDITED FINANCIAL STATEMENTS (“AFS”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Tan Sri Dato’ Chairman informed the Meeting that the AFS for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors were meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders.

It was recorded that the AFS for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon were properly laid and had been duly received.

Tan Sri’ Dato Chairman informed the Meeting that the Company had received a letter from the MSWG and invited the Company Secretary to present question raised by MSWG and the responses from the Company which were simultaneously displayed on screen in the meeting hall, details as set out in Appedix I attached to this Minutes.

Tan Sri’ Dato Chairman thereafter invited questions from the floor in respect of the financial statements for the financial year ended 31 December 2022. Several questions were raised by the shareholders and proxies, details as set out in Appedix I attached to this Minutes.

After having addressed all the questions raised, it was recorded that the AFS of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon had been duly received and adopted by the shareholders.

Full details of the President’s presentation slides and questions received from MSWG and the Company’s response to the same can all be viewed on the Company’s website at www.pmbtechnology.com.

2. DIRECTORS’ FEES AND BENEFITS PAYABLE TO INDEPENDENT NON-EXECUTIVE DIRECTORS

Ordinary Resolution 1 is to approve the payment of Director’s fees and benefits payable to the Independent Non-Executive Directors of the Company up to an amount of RM350,000.00 for the financial year ending 31 Decenber 2023. The interested Directors have abstained from voting on the resolution.

Tan Sri’ Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

3. RE-ELECTION OF DATO' KOON POH TAT

Ordinary Resolutions 2 is on the re-election of Dato' Koon Poh Tat who retires as Director of the Company pursuant to Clause 95 of the Constitution of the Company and being eligible, has offered himself for re-election.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

4. RE-ELECTION OF MR LOO LEAN HOCK AND MR ERNEST BONG MIAU FATT

Ordinary Resolutions 3 and 4 are relate to the re-election of Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt, who retire as Directors of the Company pursuant to Clause 95 of the Constitution of the Company and being eligible, have offered themselves for re-election. The Board intends to retain them as Independent Directors until 31 May 2023.

The Board took cognisance of the Main Market Listing Requirements on the mandatory 12-year tenure limit for independent directors and explained to the shareholders on the rationale of these resolutions. The Company will ensure that strategic board refreshments are done to comply with the Main Market Listing Requirements.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

5. RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY

Ordinary Resolution 5 is on the re-appointment of KPMG PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

AS SPECIAL BUSINESS

- 6. (i) PROPOSED CONTINUATION IN OFFICE OF MR LOO LEAN HOCK AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**
(ii) PROPOSED CONTINUATION IN OFFICE OF MR ERNEST BONG MIAU FATT AS INDEPENDENT NON-EXECUTIVE DIRECTOR

Ordinary Resolution 6 and 7 relate to the retention of Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt as Senior Independent Non-Executive Director and Independent Non-Executive Director respectively.

Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt have served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. The Board is satisfied with their performance as wish to seek shareholder's approval for the retention of Mr Loo Lean Hock and Mr Ernest Bong Miao Fatt as Independent Non-Executive

Director of the Company until 31 May 2023, through a two-tier voting process. Mr Loo Lean Hock and Mr Ernest Bong Maiu Fatt will resign as Director of the Company on 31 May 2023 to comply with the Main Market Listing Requirements of Bursa Securities on the mandatory 12-year tenure limit for independent director.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

7. AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 (“ACT”) FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES

Ordinary Resolution 8 is to seek shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for the purpose of funding the working capital or strategic development of the Company and its subsidiaries (“**PMBT Group**”).

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

9. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)

As Tan Sri Dato' Chairman was an interested party in this resolution, he handed the Chair over to Mr Loo for deliberation of this resolution.

Mr Loo informed that Ordinary Resoultion 9 is to seek shareholder's approval on the proposed shareholders' mandate for the Group to enter into recurrent transactions of a revenue or trading nature with related parties.

He also informed that the interested Directors, interested major shareholders and the persons connected to them have abstained from voting on the resolution.

Mr Loo invited questions from the floor in respect of this resolution and no question was raised in this regards.

Mr Loo then handed the Chair back to Tan Sri Dato' Chairman.

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10. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES

Ordinary Resolution 10 is to obtain shareholders' approval on proposed renewal of authority for the Company to purchase its own ordinary shares not exceeding 10% of the total number of issued shares of the Company at any point in time of purchase.

Tan Sri' Dato Chairman invited questions from the floor in respect of this resolution and no question was raised in this regards.

VOTING SESSION

After having deliberated all the motions set out in the Notice of the AGM, the representative from the Company's Shares Registrar briefed the floor on the polling procedures and directed the shareholders and proxies to deposit their polling forms into the ballot boxes upon completion. The shareholders and proxies present were then given reasonable time to cast their votes.

Tan Sri Dato' Chairman informed that the outcome of the poll would be announced after a short break for the scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 11.55 a.m.

POLL RESULTS

Tan Sri Dato' Chairman called the Meeting to order at 12.27 p.m. and the results are as follows:-

| Ordinary Resolution 1 | Votes in favour | | Votes against | | Results |
|---|------------------------|----------|----------------------|----------|----------------|
| | No. of shares | % | No. of shares | % | |
| Approval of Directors' fees and benefits payable to the Independent Non-Executive Directors up to an aggregate amount of RM350,000 for the financial year ending 31 December 2023 | 1,089,885,995 | 99.9266 | 801,000 | 0.0734 | Accepted |

It was RESOLVED:-

THAT the payment of Directors' fees and benefits payable to the Independent Non-Executive Directors up to an aggregate amount of RM350,000 for the financial year ending 31 December 2023 be and is hereby approved.

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| Ordinary Resolution 2 | Votes in favour | | Votes against | | Results |
|---|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Re-election of Dato' Koon Poh Tat as Director | 980,499,966 | 97.2846 | 27,367,529 | 2.7154 | Accepted |

It was RESOLVED:-

THAT Dato' Koon Poh Tat who retired pursuant to Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

| Ordinary Resolution 3 | Votes in favour | | Votes against | | Results |
|---|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Re-election of Mr Loo Lean Hock as Director | 1,064,159,366 | 97.4927 | 27,367,629 | 2.5073 | Accepted |

It was RESOLVED:-

THAT Mr Loo Lean Hock who retired pursuant to Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

| Ordinary Resolution 4 | Votes in favour | | Votes against | | Results |
|---|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Re-election of Mr Ernest Bong Miao Fatt as Director | 1,063,319,366 | 97.4908 | 27,367,629 | 2.5092 | Accepted |

It was RESOLVED:-

THAT Mr Ernest Bong Miao Fatt who retired pursuant to Clause 95 of the Constitution of the Company be and is hereby re-elected as Director of the Company.

| Ordinary Resolution 5 | Votes in favour | | Votes against | | Results |
|---|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Re-appointment of KPMG PLT as Auditors of the Company | 1,090,724,995 | 99.9265 | 802,000 | 0.0735 | Accepted |

It was RESOLVED:-

THAT KPMG PLT having indicated their willingness to accept re-appointment, be and are hereby re-appointed as Auditors of the Company at a fee to be determined by the Directors.

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| Ordinary Resolution 6 | Tier | Votes in favour | | Votes against | | Results |
|--|--------|-----------------|----------|---------------|--------|----------|
| | | No. of shares | % | No. of shares | % | |
| Proposed continuation in office of Mr Loo Lean Hock as Senior Independent Non-Executive Director | Tier 1 | 784,067,185 | 100.0000 | 0 | 0.0000 | Accepted |
| | Tier 2 | 280,070,181 | 91.0916 | 27,389,629 | 8.9084 | Accepted |

It was RESOLVED:-

THAT approval be and is hereby given to Mr Loo Lean Hock who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as a Senior Independent Non-Executive Director of the Company, in accordance with the Malaysian Code of Corporate Governance 2021.

| Ordinary Resolution 7 | Tier | Votes in favour | | Votes against | | Results |
|---|--------|-----------------|----------|---------------|--------|----------|
| | | No. of shares | % | No. of shares | % | |
| Proposed continuation in office of Mr Ernest Bong Miao Fatt as Independent Non-Executive Director | Tier 1 | 784,067,185 | 100.0000 | 0 | 0.0000 | Accepted |
| | Tier 2 | 279,230,181 | 91.0672 | 27,389,629 | 8.9328 | Accepted |

It was RESOLVED:-

THAT authority be and is hereby given to Mr Ernest Bong Miao Fatt who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code of Corporate Governance 2021.

| Ordinary Resolution 8 | Votes in favour | | Votes against | | Results |
|--|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares | 306,657,710 | 99.7391 | 802,100 | 0.2609 | Accepted |

It was RESOLVED:-

THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company at any time until the conclusion of the

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next AGM of the Company and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of issued shares does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings of such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

| Ordinary Resolution 9 | Votes in favour | | Votes against | | Results |
|--|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature for PMB Technology Berhad and its subsidiaries (" Proposed Shareholders' Mandate ") | 1,090,725,995 | 99.9266 | 801,000 | 0.0734 | Accepted |

It was RESOLVED:-

THAT approval be and is hereby given to PMBT Group to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 28 April 2023 which are necessary for the PMBT Group's day-to-day operations subject to the following:

- a) the transactions are in the ordinary course of business and on normal commercial 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; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the recurrent related party transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the type of recurrent related party

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transactions made, the names of the related parties involved in each type of recurrent related party transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

- i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- ii) the expiration of the period within which the next AGM of the Company 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
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate.

| Ordinary Resolution 10 | Votes in favour | | Votes against | | Results |
|---|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares | 1,090,725,995 | 99.9266 | 801,000 | 0.0734 | Accepted |

It was RESOLVED:-

THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the Company's aggregate retained profits as at 31 December 2022 to purchase such amount of ordinary shares in the Company ("**Proposed Renewal of Share Buy-Back Authority**") 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 and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury

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shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

- (i) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) distribute the shares as share dividends to the shareholders;
- (ii) resell the shares or any of the shares on Bursa Securities;
- (iii) transfer the shares or any of the shares for the purposes of or under an employees' shares scheme (if any);
- (iv) transfer the shares or any of the shares as purchase consideration;
- (v) cancel all the ordinary shares so purchased; and/or
- (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the Act.

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.

CONCLUSION

There being no other matters, the Meeting concluded at 12.28 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN
TAN SRI DATO' KOON POH KEONG

APPENDIX I

Responses to the questions raised by Minority Shareholders Watch Group (“MSWG”)

Operational & Financial Matters

1. In 2020, PMB Silicon completed Phase 2 of furnace installation which has successfully increased the annual capacity to 72,000MT. (page 19 of Annual Report (AR) 2022)

(a) What was the average utilisation rate in FY2022?

Response from the Company:

The average utilisation rate was approximately 80% in FY2022 taking into consideration the scheduled maintenance time during the year.

(b) Which are your top five export markets in FY2022 and FY2021?

Response from the Company:

The top five export markets are Western Europe, Eastern Europe, South Asia, East Asia and North America for both of the financial years.

(c) How much does the Group typically spend on maintenance capex?

Response from the Company:

Generally, we will incur an approximately 1% of revenue on maintenance capex.

(d) Who are your main competitors and what are your competitive advantages against them?

Response from the Company:

We face strong competition from major producers in China, Brazil, the US and Norway. The 2 main factors contributing to our competitive advantage are our access to long-term supply of green energy and the strategic location of our facilities.

2. Revenue recorded by the manufacturing and trading segment was higher by RM157.9 million, 24% increase in FY2022. This was mainly due to higher tonnage sold and higher average metallic silicon price. (page 26 of AR 2022)

(a) How much was the tonnage sold in FY2022 compared to FY2021?

Response from the Company:

We have sold approximately 52,000 MT in FY2022 compared to 48,000 MT in FY2021.

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(b) What was the average metallic silicon price in FY2022 compared to FY2021?

Response from the Company:

The average metallic silicon prices were approximately RM 12,710 and RM 14,446 for FY2021 and FY2022 respectively.

(c) How is the current trend of metallic silicon price? What is the outlook for the next 12 months?

Response from the Company:

The current metallic silicon price has been softening in view of weak demand outlook. The short-term outlook remains highly dependent on the global recovery in automotive production, which is expected to post modest growth in year 2023. The potential increase in demand for non-chinese metallic silicon by the Western world especially in the Photovoltaic (PV) market will be an added advantage for the Group.

3. The construction of Phase 3 metallic silicon plant is expected to be completed by the third quarter of 2023 with an estimated cost of RM350 million. Alongside with both Phase 1 and Phase 2, the Group's combined annual installed capacity is 108,000 MT. (page 28 of AR 2022)

(a) What is the expected return on investment for Phase 3 plant?

Response from the Company:

The expected return on investment for Phase 3 plant is approximately 7% - 10% per annum subject to fluctuation in metallic silicon prices, raw material prices and foreign exchange rates.

(b) When do you expect Phase 3 plant to run at full capacity? Has the Group secured any long-term contracts with existing/new customers? Typically, how long is the contract period?

Response from the Company:

Phase 3 plant is expected to be completed by end of 2023 and to run at approximately 80% of the installed capacity. However, the existing furnaces will be scheduled for maintenance on a rotation basis to optimise the production efficiency.

We have long-term contracts with existing and new customers on a yearly basis.

(c) How much of this RM350 million investment will be funded by bank borrowings?

Response from the Company:

Approximately 60% of the RM350 million investment will be funded by bank borrowings.

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Corporate Governance & Sustainability 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 7 directors on the Board. Does the Company intend to apply Practice 5.9, and if yes, by when?**

Response from the Company:

The Board will continue to work on achieving the right balance of diversity in the Company according to the Diversity Policy. This will be done over time, taking into account the present size, the valuable knowledge and experience of the present Board members. The Board believes that the appointment of new directors should be based on their skillsets and not restricted to gender diversity. The targeted timeframe to apply Practice 5.9 are within 2 years, as same as disclosed in the Corporate Governance Report for financial year 2022.

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APPENDIX I

Questions raised by shareholders/proxies and answered by the CEO:-

1. What is the breakdown to the exports markets in the financial year ended 31 December 2022 (“FY22”)

Answer:

The CEO responded that the breakdown to the exports markets in Europe, United States and Asia were 53%, 4% and 43% respectively.

2. What is the breakdown of sales of different grade of metallic silicon in FY22?

Answer:

The CEO responded that at least 70% of the grade of 553 and above were sold.

3. What is the highest grade of metallic silicon that the Company is able to produce and sell?

Answer:

The CEO responded that the metallic silicon that the Company is able to produce varies from grade 2202 to 553. The Company is able to control the production at more than 75% for purer grades such as 3303 and 421, which are typically used in solar panel and microchips. He added that polysilicon with higher purity has to be produced from metallic silicon.

4. What is the price for the higher grades of silicon metal in the market?

Answer:

The CEO responded that 3303 was priced around USD1,700 – USD1,800 in Asia market, whilst 421 priced slightly lower.

5. How does the current power supply of 129 MW with additional 25MW secured from Syarikat Sesco Berhad be allocated into each phase of the silicon production?

Answer:

The CEO responded that Phase 1 and Phase 2 require about 52MW each. The construction of Phase 3 metallic silicon plant is expected to be completed by end of year 2023 which the Group will be supplied with the additional 25MW. Alongside with the above, Management is exploring to generate additional power from the heat recovery system in future in order to run the full operation.

6. Does the cost of Company on power usage remain or increase from time to time? Will the Company be affected by the electricity tariff adjustment?

Answer:

The CEO responded that the 25-year Power Purchase Agreement (“PPA”) entered into with Syarikat Sesco Berhad had a Escalation Clause where there is certain escalation rate every year. Thus, the recent electricity tariff adjustment does not affect the PPA.

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7. What is the Company's view of Sarawak's intention to provide additional power supply to Singapore?

Answer:

The CEO responded that the State Government may consider the long term benefit on the development and economy in Sarawak instead of selling purely to Singapore.

8. Where does this additional hydro power come from?

Answer:

The CEO responded that the additional hydro power will be from Baleh, Sarawak.

9. Does management see the capacity of metallic silicon increase globally?

Answer:

The CEO responded that in the long term, the metallic silicon industry will be a key beneficiary of the ongoing green transition which is gathering momentum. The Company of the view that there could be an opportunity to break into Solar Photovoltaic industry due to the current trend on switching of lithium ion battery to sodium ion battery as a consideration for usage of solar panel.

10. How does Company view on China's new policy on "climate fight to the rooftops" through solar panel for energy saving?

Answer:

The future of solar panel on rooftops is already happening not only in China but all over the world. In future, most of the rooftop of buildings will be covered with solar panels which may probably be the most economical form of energy and it is clean. The Company's view on this issue is very positive.

11. Understand that China is expanding capacity on polysilicon, is there any potential mismatch on the supply and demand of polysilicon?

Answer:

The CEO responded that the polysilicon produced in China are mainly for domestic usage.

12. How much is the silicon being used in producing aluminium?

Answer:

The CEO responded that the mixture of 7-8% of silicon is required to produce certain aluminium alloy.

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APPENDIX I

13. In terms of the price and cost of the silicon, has the position of PMBT changed compared to last year?

Answer:

The CEO responded that the commodity market is undergoing a challenging time since Q4 of the year 2022. The Company remains competitive, concern and focus on the efficiency to bring down the cost of production.

14. Does the Company view that the increasing of solar value chain in US is competitive in term of the demand of metallic silicon?

Answer:

The CEO responded that the Company will remain competitive in view of the constant demand of the metallic silicon besides the production of metallic silicon is restricted due to the requirement of stable supply of power and high energy consumption.

15. When will the joint venture with Sarawak pertaining to the chemical grade production start?

Answer:

The CEO responded that the Company had extended the Memorandum of Understanding with Sarawak Economic Development Corporation. The Company will make appropriate announcements in accordance with the Listing Requirements, if required.

16. Why is the Company considering to expand the silicon plant to Sabah?

Answer:

The CEO responded that Sarawak was running out of electricity whereas Sabah has natural gas as an energy supply for the usage of silicon plant. The Company also takes into consideration if the price of natural gas is in favourable, upon negotiation with State Government of Sabah.

17. When will Phase 4 begin?

Answer:

The CEO responded that the construction of Phase 3 is on schedule. However, Phase 4 is unknown in the current stage. Any chance of the phase 4 would be possibly in Sabah, if the Company can secure the natural gas at a competitive rate.

18. Company's view on the impact of ESG and Sustainability to China?

Answer:

The CEO responded that the China is continuously putting effort in reducing carbon footprint and enhancing the sustainability.

APPENDIX I

19. What is the major cost of raw material for the production of silicon?

Answer:

The CEO responded that the the major cost of production is the low ash refined coal which is more expensive than normal coal. The Company is considering to switch the usage of coal to charcoal.

20. The Company has stable revenue from construction and fabrication segments over years, how is the future growth on the said segments?

Answer:

The CEO responded that the revenue of construction and fabrication segments were mainly contributed from Hong Kong. Local project is very competitive in price and the Company is currently completing those projects.

21. What is the relationship of the Company with OCIM?

Answer:

The CEO responded that the Company supplies silicon powder to OCIM for their production of polysilicon.

22. How many percent of the revenue is generated from polysilicon?

Answer:

The CEO responded that about 20%-30% is generated from polysilicon industry.

23. As the Company Warrants are expiring soon, does the Company plan to issue new Warrants?

Answer:

The CEO responded that the Company has no plan on issuing a new Warrants unless there is a new projects as and when is required.