



PMB TECHNOLOGY BERHAD

Registration No. 200201016594 (584257-X)

Lot 1797, Jalan Balakong, Bukit Belimbing, 43300 Seri Kembangan, Selangor Darul Ehsan.

Tel: 603-8961 8355 / 8961 5205 Fax: 603-8961 1904 / 8961 8357

E-mail: enquiry@pmbtechnology.com Website: <http://www.pmbtechnology.com>

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED ON VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) ON FRIDAY, 8 APRIL 2022 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 Miau Fatt (Also Shareholder)
Noor Alina Binti Mohamad Faiz

In Attendance

Wan Shuw Yee – Financial Controller
Tan Ai Ning - Company Secretary

By Invitation

Foong Yein Fun - AmInvestment Bank Berhad
Cheong Wen Jie - AmInvestment Bank Berhad
Cynthia Toh Mei Lee - Wong Beh & Toh

The list of shareholders and proxies who attended the Extraordinary General Meeting (“EGM”) 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 EGM of the Company conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting (“**RPV**”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online> which was in compliance with Section 327 of the Companies Act 2016 (“**the Act**”) and Clause 64 of the Constitution of the Company.

Tan Sri Dato’ Chairman then proceeded to introduce the members of Board, Financial Controller, Company Secretary, Principal Adviser and Solicitor to the shareholders and proxies.

PMB Technology Berhad
Registration No. 200201016594 (584257-X)
Minutes of the Extraordinary General Meeting held on 8 April 2022

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 69 members comprising shareholders, proxies and corporate representatives, representing 16,753,692 ordinary shares or 7.16% of the total issued shares of the Company had registered for RPV facilities to participate in this EGM.

The Company Secretary further informed that a total 30 proxy forms received from shareholders for a total of 180,815,202 ordinary shares representing 77.25% of the total issued shares of the Company. Out of those, there were 17 shareholders appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 82,437,698 ordinary shares representing 35.22% of the total 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**"), the resolution set out in the Notice of the EGM must be voted by poll. Accordingly, Tan Sri Dato' Chairman directed the resolution set out in the Notice of the EGM be conducted by way of poll.

Shareholders and proxies were informed that the questions posed by the shareholders and proxies before and during the AGM via the RPV facilities will be addressed after the resolution set out in the Notice of EGM had been tabled. The voting on the resolution could be done at any time throughout the meeting until the closure of the voting session.

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

ORDINARY RESOLUTION:-

PROPOSED BONUS ISSUE OF UP TO 1,296,774,800 NEW ORDINARY SHARES IN PMBT ("BONUS SHARES") ON THE BASIS OF 4 BONUS SHARES FOR EVERY 1 EXISTING ORDINARY SHARE IN PMBT ("SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

PMB Technology Berhad
Registration No. 200201016594 (584257-X)
Minutes of the Extraordinary General Meeting held on 8 April 2022

Tan Sri Dato' Chairman informed the Meeting that the the Board of Directors wishes to seek approval from the shareholders on the proposed bonus issue of up to 1,296,774,800 new ordinary shares in PMB Technology Berhad (“**PMBT**”) on the basis of 4 bonus shares for every 1 Share held on an entitlement date to be determined later.

At the invitation of the Tan Sri Dato' Chairman, the representative from the Principal Advisor, Mr Cheong Wen Jie (“**Mr Cheong**”) gave an overview of the Proposed Bonus Issue.

REPORT BY PRINCIPAL ADVISER

Mr Cheong commenced his presentation of the details of the Proposed Bonus Issue.

The Proposed Bonus Issue entails the issuance of up to 1,296,774,800 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing PMBT Share held by the Entitled Shareholders. The aforesaid basis of 4 Bonus Shares for every 1 existing PMBT Share was determined after taking into consideration the potential enhancement to the trading liquidity of PMBT Shares traded in the market given the adjustment to the share price of PMBT Shares arising from the Proposed Bonus Issue as well as the increase in the number of PMBT Shares after the Proposed Bonus Issue. The Entitlement Date will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue.

The Chairman thanked Mr Cheong for his presentation on the Proposed Bonus Issue.

QUESTION AND ANSWER (“Q&A”) SESSION

The Company received some questions from shareholders prior to and during the AGM via query box. The Company Secretary and Mr Koon Poh Ming, the Chief Executive Officer (“**CEO**”) of the Company were invited to present and/or respond to the questions received prior to and during the EGM respectively, details as set out in Appendix I attached to this Minutes. The shareholders and proxies were informed that any question not addressed during the allocated time, responses will be reverted via email or made available on the Company's website.

VOTING SESSION

After having addressed the questions raised, Tan Sri Dato' Chairman informed the Meeting that the voting session will be closed in 5 minutes and that the verification of the votes would take approximately 15 minutes. Tan Sri Dato' Chairman placed on record that several shareholders have appointed him to be their proxy and will vote according to their instructions.

Tan Sri Dato' Chairman further informed that the outcome of the poll would be announced after the short break as it would take some time for the Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 11.20 a.m.

POLL RESULTS

Tan Sri Dato' Chairman called the Meeting to order at 11.35 a.m. and the results are as follows:-

| Ordinary Resolution | Votes in favour | | Votes against | | Results |
|----------------------|-----------------|---------|---------------|--------|----------|
| | No. of shares | % | No. of shares | % | |
| Proposed Bonus Issue | 192,706,993 | 99.9995 | 900 | 0.0005 | Accepted |

It was RESOLVED:-

THAT subject to all approvals being obtained from the relevant authorities and other parties (where applicable), approval be and is hereby given to the Board to allot and issue up to 1,296,774,800 Bonus Shares by way of a bonus issue to the shareholders of the Company on the basis of 4 Bonus Shares for every 1 existing Share held by the shareholders of the Company whose names appear in the record of depositors of the Company as at the close of business on a day to be determined and announced later;

THAT the Bonus Shares shall be issued as fully paid Shares at nil consideration and without any capitalisation of the Company's reserves;

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and/or dealt with by the Board in such manner as the Board may in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to shareholders unless such Bonus Shares were issued on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions;

AND THAT the Board be and is hereby authorised to take all such steps and to execute all necessary documents as the Board may deem fit to give effect to the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and to take all steps and do all acts and things in any manner as the Board may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise, complete and to give full effect to the Proposed Bonus Issue.

CONCLUSION

There being no other matters, the Meeting concluded at 11.39 a.m. with a vote of thanks to the Chair.

PMB Technology Berhad
Registration No. 200201016594 (584257-X)
Minutes of the Extraordinary General Meeting held on 8 April 2022

SIGNED AS A CORRECT RECORD

CHAIRMAN
TAN SRI DATO' KOON POH KEONG

APPENDIX I

The Company Secretary presented the following responses which were prepared by Management of the Company to address the pre-AGM questions submitted by shareholders/proxies of the Company:-

PRE-AGM QUESTIONS:-

1. Does the Russia Ukraine war has any impact to the Company's business in term of metallic silicon price, raw material supply and etc., from the short term and long term aspect?

Answer:

Up to now, the Company's business has not been adversely affected by the ongoing conflict of Russia Ukraine war. We do not have any special insights on the topic to comment in detail on the long term impact of the war.

The volatility in selling price, raw materials cost, logistics costs and foreign currency exchanges are key challenges to the Group. Nevertheless, the Group will continue to focus on strengthening its position and to improve its efficiency to stay competitive in order to achieve a satisfactory result for the Group.

2. After obtaining the extra 25MV power supply from the Sarawak Energy Board recently, does the Management has any further expansion plan?

Answer:

We are constantly exploring ways to sustainably grow the Company while creating long term value for stakeholders.

3. Please provide breakdown of various Silicon metal grades that the Company produces, and its respective weightage. Is US/EU/China Silicon metal price is a fairer representation of our selling price?

Answer:

- Silicon Metal Grade 553
- Silicon Metal Grade 441
- Silicon Metal Grade 421
- Silicon Metal Grade 3303
- Silicon Metal Grade 2202

The grades of silicon metal produced changes from time to time.

PMB Silicon is able to produce material that meets the requirements of the 3 main consumption groups – aluminium alloy, silicones and polysilicon base on the market price of the regions.

4. Please shed some light on the latest power subscription, what will the shareholders to expect?

Answer:

We look forward to achieving greater economies of scale and to remain competitive in the silicon industry.

5. How does the long-term sales contract mechanism work?

Answer:

Subject to the terms and conditions of the contracts, buyers and sellers negotiate to fix volume and pricing mechanisms for monthly, quarterly and yearly basis.

6. Does this mean client distribution breakdown and flexibility to switch given the price variation in different regions?

Answer:

Our practice is to be well diversified across major markets in Western and non-Western across consumer groups. We intend to grow a diversified profile by strengthening and forming new relationships strategically to improve the company position internationally to ensure healthy performance.

7. What is the plant utilisation rate currently and in the year 2021?

Answer:

The plant is running at full capacity with provision for scheduled maintenance.

8. Does the Management see / foresee massive silicon metal incremental supply? Where do these supply come from?

Answer:

Based on publicly made available information and announcements, the silicon metal industry in China is heading towards further integration of upstream and downstream production. As a result, the combination of rapid growth in demand from downstream sector and slower production will result in a reduced emphasis on exports for China.

In the longer term, growth in global demand for aluminium alloys, silicon and polysilicon is expected to be strong due to the important role silicon metal play in the development of energy saving technologies and end products. There is a long runway for growth in the production of electric vehicles and solar panels as they are both critical products for many countries seeking to decarbonise their economies. Silicon metal, being an essential raw material in the value chain of these industries, will experience commensurable long term growth in demand.

9. Is China putting a cap on silicon metal capacity expansion domestically?

Answer:

Not that we are aware of.

10. How is the global silicon metal supply and demand distribution currently and in the next 2 years?

Answer:

The current uncertainty surrounding energy costs and semiconductor supply continue to affect the market dynamics of the silicon metal industry. Record breaking energy prices especially in Europe, dragged down the profits of energy intensive industries, with many companies curbing output and some even completely halting production. The ongoing semiconductor shortage continues to weigh on global automotive output.

11. Please share our silicon weighted average selling price for FY2021 and during the fourth quarter 2021.

Answer:

The selling price varies for various grades and various markets, averagely ranging from USD 3,000 to USD 6,000 per mt.

12. We are delighted to hear the recent announcement on setting up a new plant in Sabah. Please share more details and most importantly management's strategy and aspiration around the said project.

Answer:

The Company has on 30 March 2022, entered into a memorandum of understanding (“MOU”) with Sabah Oil & Gas Development Corporation Sdn. Bhd. (“SOGDC”).

The MOU allows the Company to explore the development and operation of a new silicon metal production plant in Sabah, with sufficient, constant and steady supply of natural gas at acceptable rates to the Company, by way of a sub-lease/ sale for the said Land by SOGDC to the Company.

The negotiation is still at an early stage and we will make the necessary announcement to update the progress accordingly.

13. I don't see the need of having this EGM being held as it is too close to our upcoming AGM. This resolution brings no value to shareholders. The money saved from holding this EGM can be allocated in the form of E-wallet to shareholders if this resolution is put forward immediately after the AGM.

Answer:

The Board is of the opinion that the early completion of the Proposed Bonus Issue will benefit the shareholders. Moreover, the cost of calling the EGM is less than RM10,000.

[The remainder of this page has been intentionally left blank]

LIVE AGM QUESTIONS:

The following live AGM questions being raised by shareholders/proxies and attended by the CEO:-

1. Will the Board consider giving door gifts such e-voucher or e-wallets for those participating in this EGM as a token of appreciation?

Answer:

We believe that our shareholders should be rewarded fairly and meaningfully. Available funds will be distributed to shareholders by way of dividends.

2. The Company mentioned about strong recovery in demand for vehicles and the global megatrends of a more sustainable and greener future augurs well for the metallic silicon industry. Do you mind to share with us what is the projection for revenue and profit growth for FY2022? Would it be stronger than FY2021?

Answer:

The earnings is dependent on market and production cost. Please refer to our financial performance which is available at Bursa Securities from time to time.

3. Do you mind guiding us on the average selling prices for the year? Do you expect the selling price to continue to increase in view of Black Sea tension and global supply shortage? What is the current realise prices and how much it is likely to go up for the year?

Answer:

There are many factors that may affect future prices. The ongoing global semiconductor supply shortage and energy crisis will affect the market dynamics of the silicon metal industry. We will continue to monitor the market developments closely.

4. What is the impact of rising raw materials cost and logistics costs to Company's net profit? How is the company going to mitigate or cushion the impact?

Answer:

We anticipate the rise in raw material and logistics costs will increase our production cost.

We look forward to achieving higher production efficiency in order to cushion the impact.

Generally what we observe is that market prices tend to reflect rising costs levels therefore spot prices should rise in tandem with rising costs to offset the impact.

In negotiating our contracts, we have the flexibility clauses in order to adjust prices should there be any drastic changes in raw material and logistics cost.

5. Do you mind sharing with us your CAPEX spending for the year and utilisation of the fund? Is the CAPEX coming from internal cash or will raise through equity?

Answer:

We expect the CAPEX for phase 3 to be funded by bank borrowings and internally generated cash.

6. PMB Technology's historical net profit margin ranges between 7% and 10%, and it touched 16% in 2021. Does Management foresee net margin to steady at 2021's level?

Answer:

The Company's net profit margin increased in 2021 due to better selling prices in our metallic silicon division.

7. Do you mind to share with us the value of the Company's order on hands right now? How long can it lasts?

Answer:

The Company has ongoing contracts which contribute steady cashflow to the Company.

8. Who is the biggest customer for purchase of silicon from PMB Technology Berhad?

Answer:

We believe in having a diversified profile of customers to reduce concentration risks. The Company is supplying almost equally to the 3 main customer groups- aluminium smelters, chemical producers and polysilicon producers.

9. What should shareholders expect from the recent Sabah MOU?

Answer:

The negotiation is still at its infancy stage. We will make the necessary announcement to update the progress accordingly.

10. Market thinks PMBTECH will repeat PMETAL's transformation into a regional giant metal producer, what's management's comment?

Answer:

The Company's goal is to pursue sustainable growth. When considering all opportunities available for expansion, we prioritise financial prudence and thorough due diligence.

11. How many live participants during the meeting?

Answer:

A total of 52 participants comprising shareholders and/or proxies have participated in this EGM.

12. What is the cost breakdown for silicone metal?

Answer:

The major costs are raw material costs and electricity costs.

13. This proposal/ motion is apt and astute. However, I think its positive effect would have been even much stronger had it been tabled earlier.

Answer:

Thank you. The Proposed Bonus Issue is required to comply with the Main Market Listing Requirements.

14. What are the effects and commitment for the new MOU in Sabah SOGIP? Will it share the similar cost compared to SCORE?

Answer:

The negotiation is still at an early stage and we will make the necessary announcement to update the progress accordingly.

15. Should the minority shareholders be concerned about the recent insider transactions primarily those from the ultimate major shareholder - Koon family?

Answer:

The recent announcements made on 5 April 2022 in relation to the Changes of shareholdings are corporate formalities which are in compliance with the Listing Requirement and Companies Act 2016.

The following live AGM questions being raised by shareholders/proxies were attended via email:-

1. Could you tell us more about the company's diversification plan and whether or not it is increasing its effort to expand internationally?

Answer:

We will focus on growing our core businesses while constantly looking for diversification opportunities that may add value to our Group. International expansion efforts will come in the form of pursuing greater acceptance for our products among global customers.

2. What is the rationale behind the MOU of siloxane with the Sarawak government? How does company see this as another growth driving factor?

Answer:

The rationale of this MOU is to explore the development of the production of siloxane for both the local and international markets with in turn supports and complements PMBT's silicon metal business. There is no new development.

3. What is the progress for the parcel of land being brought development?

Answer:

The Company is still at early stage of planning after obtaining the relevant approvals.

4. This share placing motion is obviously an excellent step in expanding the Company, in line with its world - class status. However, I think the amount of the placement is not significant enough to significantly increase its productivity in the foreseeable future.

Answer:

We do not have any corporate exercise on private placement.

5. How does the Company cushion the impact of the significant increase in its production/ sales cost due to market forces?

Answer:

The Company strives to operate more efficiently to reduce production cost.

6. Will Sabah's natural gas energy source be deemed as GREEN as hydro in Samalaju?

Answer:

We are still conducting feasibility study on this at the present moment.

7. Now that our phase 2 is fully ramp-up, how does our global cost curve position look like now?

Answer:

We are of the opinion that we are on par with other global competitors.

8. Is the Company's business affected by increased logistic costs?

Answer:

Yes, the Company's cost of sales will increase due to higher logistics cost.

9. How important is the USD exchange rates on your raw material costs and selling prices?

Answer:

Most of our sales is denominated in USD. As most of the purchase of raw materials is denominated in USD, it will mitigate the risk due to natural hedge.

[The remainder of this page has been intentionally left blank]

10. Noted that the current expected CAPEX for the second metallic plant cost about RM2 billion according to the MOU with SOGDC, which is something huge compared to the existing Samalaju plant, which cost around RM200 million in the first stage. Appreciate if Management can share more information like the expected time frame to complete with the plant if the MOU can turn into the agreement officially, any targeted production capacity increase?

Answer:

The negotiation is still at an early stage and we will make the necessary announcement to update the progress accordingly.

11. What is the current capacity and the future planned capacity expansion?

Answer:

Current installed capacity is 72,000MT and Phase 3 will have an additional 36,000 MT.

12. Where do you see PMB Technology in 5 years future?

Answer:

We aim to be one of the lowest cost producer in the region.

13. When is the completion of phrase 3 expansion?

Answer:

We aim to be operational in first quarter of year 2023.

14. Any impact of bonus issue on company cash flow?

Answer:

There will not be any impact on the cash flow.

15. Is new plant at Sabah going to use electricity generated by Liquefied Natural Gas (LNG)?

Answer:

The electricity will be generated by natural gas.

[The remainder of this page has been intentionally left blank]