

PLB ENGINEERING BERHAD
Company No.: 199701002728 (418224-X)
(Incorporated in Malaysia)

EXTRACT MINUTES OF ANNUAL GENERAL MEETING

SUMMARY OF KEY DISCUSSED MATTERS AT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT PLB ENGINEERING BERHAD, 3RD FLOOR, TRAINING ROOM, 1320, JALAN BARU, TAMAN CHAI LENG, 13700 PRAI, PENANG ON FRIDAY, 29 JANUARY 2021 AT 3.00 P.M.

1. COMMENCEMENT

At 3:00 p.m., the Chairman of the Meeting, Dato' Seri Ong Choo Hoon called the meeting to order and welcomed all members and proxies participating the Company's Twenty-Fourth Annual General Meeting (24th AGM") remotely from their respective locations.

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

- 2.1 The Secretary informed the shareholders that the Company had received written queries from MSWG and the response by the Company pursuant to the written queries from MSWG were projected on the screen for members to view and the Secretary read out the response as follows

Operational and Financial Matters

- 1. The Group recorded Impairment loss on inventory properties, (RM7,133,797), Impairment loss on investment in associate, (RM1,200,030) and impairment loss on property, plant and equipment, (RM1,138) as a result of the Covid-19 outbreak.**

- a. The impairment loss on inventory properties is in respect of land held for development. Please provide the location of the land and the land size?**

Impairment loss on inventory properties was in respect of land held for development.

- i. Impairment loss for Kuala Muda Lands, (RM 5,033,629)

Property Address	Square Feet
Geran Mukim 807, Lot 780, Mukim 1, Seberang Perai Utara, Pulau Pinang	65,862.65
Geran Mukim 644, Lot 1121, Mukim 1, Seberang Perai Utara, Pulau Pinang	81,645.32
Geran Mukim 569, Lot 781, Mukim 1, Seberang Perai Utara, Pulau Pinang	51,182.87
Geran Mukim 568, Lot 779, Mukim 1, Seberang Perai Utara, Pulau Pinang	52,271.87
Geran Mukim 36, Lot 774, Mukim 1, Seberang Perai Utara, Pulau Pinang	32,669.92
Geran Mukim 35, Lot 773, Mukim 1, Seberang Perai Utara, Pulau Pinang	69,423.57
Geran Mukim 34, Lot 772, Mukim 1, Seberang Perai Utara, Pulau Pinang	121,695.44
Geran Mukim 289, Lot 1711, Mukim 1, Seberang Perai Utara, Pulau Pinang	57,129.95
Geran Mukim 288, Lot 1709, Mukim 1, Seberang Perai Utara, Pulau Pinang	251,206.32
Geran Mukim 286, Lot 1704, Mukim 1, Seberang Perai Utara, Pulau Pinang	37,853.60
Geran Mukim 285, Lot 1703, Mukim 1, Seberang Perai Utara, Pulau Pinang	42,991.02
Geran Mukim 284, Lot 1702, Mukim 1, Seberang Perai Utara, Pulau Pinang	28,313.97
Total	892,246.50

(ii) Impairment loss for Pokok Sena Lands, (RM 2,100,168.43)

Property Address	Square Feet
Geran Mukim 1117, Lot 1797, Mukim Jabi, Machang Kudung, Daerah Pokok Sena, Kedah	235,439.56
Total	235,439.56

b. Please provide the name of the associate with the impairment loss and the nature of business.

Impairment loss on investment in associate, Desanova Development Sdn Bhd which is a property development company.

2. China Railway Engineering Corporation (M) Sdn Bhd (“CRECM”) will receive 90% of PLB’s Entitled Land under the JDA as settlement for services rendered to the Company, namely for undertaking, management, implementation and construction of the Rehabilitation Works. (Page 41 of Annual Report)

a. Please explain the reason(s) why CRECM is given 90% of PLB’s Entitled Land under the JDA?

This JDA shall require shareholders’ approval in the EGM. Kindly refer to our upcoming announced circular once we obtained approval from Bursa.

b. What is the expected cost of constructing the Rehabilitation Works and when is it expected to be completed?

This shall require shareholders’ approval in the EGM. Kindly refer to our upcoming announced circular once we obtained approval from Bursa.

c. What is the expected annual income from the new integrated recycling center?

This shall require shareholders’ approval in the EGM. Kindly refer to our upcoming announced circular once we obtained approval from Bursa.

3. The additional landfill cell in Phase 3 has commenced in Dec 2020. What is the expected tipping fees income from this additional landfill in FY 2021 and when is the landfill expected to be fully completed?

The Phase 3 landfill commenced on 1st of January 2021 as the existing Phase 1 and 2 is at full capacity. The expected tipping fees income from landfill in FY 2021 is estimated at RM17 million and the landfill is expected to be completed by end of year 2021.

4. Included in the Trade Receivables and Other Receivables are amounts of RM1,621,885 (2019: RM7,763,549) and RM447,846 (2019: RM311,355) respectively due from KH-Base Engineering Sdn. Bhd (“KHBESB”), a company in which persons connected to certain directors of the Company have substantial financial interests. (pages 104 & 105 of Annual Report)

The Company also owes KHBESB an amount of RM2,953,110 as trade payables.

a. Please name the persons connected to certain directors, (and the nature of the connections), of KHBESB that have substantial financial interests?

The persons connected are Datin Ong Guat Hung and Dato' Siow Kok Yong who are directors of KHBESB, who is the daughter and son-in-law of Dato' Seri Ong Choo Hoon, sister and brother-in law for both Dato Ong Guat Beng and Mr Ong Seng Chye.

b. What are the commercial terms given to KHBESB as compared to other trade debtors?

The procedure on Recurrent Related Party Transactions is 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.

5. The Company has launched Plot 6 (The Dew) which consists of 281 units of affordable homes with a total saleable area of 281,000 square feet in June 2020.

What is the latest take-up rate and the Gross Development Value (“GDV”) of project Plot 6?

The new phase of the development, Plot 6 (The Dew) which consists of 281 units of affordable homes for a total saleable area of 281,000 square feet with estimate GDV of RM97.45 million has obtained the Developer License (DL) and Advertising Permit (AP). However, the company has yet to launch the scheme due to the MCO1, CMCO and MCO2 but construction of foundations for Plot 6 has commenced since June 2020. The company will take cognizance of the timing for new property launches in line with market condition.

What is the GDV of the 252-unit Apartment in Zoo Road, Penang that the Group is planning to launch?

The estimated GDV of the 252-unit Apartment in Zoo Road, Penang is estimated at RM159.28 million.

6. The Group’s construction arm has about RM37 million unbilled projects lined up for FY 2021. What is the composition of the unbilled projects in respect of in-house and third-party contracts? Has the Group managed to secure more construction contracts? If yes, what is the value?

The Group’s construction arm has RM37 million unbilled projects lined up for FY 2021 as the follows:

Projects	Unbilled Amount (RM)
Cadangan Mendirikan 1 Blok Desa Persaraan 7 Tingkat (142 Unit) Dan Tempat Letak Kenderaan 2 Tingkat Di Paras Basement Di Atas Sebahagian Lot-Lot 403 Dan 728, Seksyen 2, Georgetown, Pulau Pinang Untuk Tetuan Penang Turf Club	10,561,716
Cadangan Mendirikan Sebuah Kilang 3 Tingkat Di Jalan Perindustrian Bukit Minyak 18, Taman Perindustrian Bukit Minyak, Plot 305 (PT974), Mukim 13, Seberang Perai Tengah, Pulau Pinang. For M/S Dynapharm (M) Sdn Bhd	893,260
Facade Design And Built To Office Building, Ceiling Work And Aluminium Glass Doors And Windows For Office And Production Buildings. For M/S Dynapharm (M) Sdn Bhd	153,708
Cadangan Tambahan 1 Blok Gudang Setingkat Dan Pejabat 2-Tingkat Kepada Kilang Sedia Ada Diatas Plot 151a, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, Mukim 13, S.P.T. Pulau Pinang Untuk Tetuan : Yee Lee Marketing Sdn Bhd	237,000

Projects	Unbilled Amount (RM)
Cadangan Mendirikan Sebuah Bangunan Kilang Chemical (Deformer For Coating) Yang Mengandungi :- A) Gudang A & B (1 Tingkat) B) Pejabat Produksi (2 Tingkat) C) Wax Produksi (3 Tingkat) & FPA Produksi (2 Tingkat) D) PCA Produksi (3 Tingkat) E) 2 Unit Tank Farm (1 Unit Tertutup & 1 Unit Terbuka) F) 2 Unit Pondok Pengawal (1 Tingkat) G) 1 Unit Pencawang tnb H) 2 Unit Tangki Bomba Di Atas Lot P.T. 594 & P.T. 595, Pekan Bukit Selambau, Kawasan Industri Bukit Selambau, Daerah Kuala Muda, Kedah Darul Aman Untuk Tetuan : Munzing Malaysia Sdn Bhd	25,454,819
Total	37,300,503

As at to-date, the Group did not secure other construction contracts.

Corporate Governance Matters:

- The Company in its 2019 MCCG Report stated that it has Departed from Practice 7.1- where the board is to disclose on named basis the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other remunerations.**

The rationale given by the Board for the non-disclosure is “the Board is of the view that the disclosure of remuneration by appropriate components and bands as tabled in the Corporate Governance Overview Statement are sufficient to meet the objectives of the MCCG and MMLR. The detailed disclosure of individual Director’s remuneration will not have a significant effect on the stakeholder’s evaluation of the Group’s governance”.

Appendix 9C, Part A (I1) of the Main Market listing Requirements (“MMLR”) requires the disclosure of the remuneration of directors of the listed issuer (including the remuneration for services rendered to the listed issuer as a group) on a named basis, stating the amount received or to be received from the listed issuer and on a group basis respectively.

The disclosure must include the amount in each component of the remuneration (e.g., directors’ fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) for each director. The non-disclosure is tantamount to a breach of the Listing Requirements.

Please take note.

We have taken note of this departure.

- The Company stated that it has compiled with Practice 12.1, Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting for the 24th AGM which is to be held on 29 January 2021.**

As the CG Report is for FY 2020 with financial year ending 31 August 2019, the Company’s disclosure should be based on the 23rd AGM that was held on 21 January 2020 where the Company has given more than 28 days prior to the meeting.

Please take note.

Noted.

3. **To Receive the Audited Financial Statements Of The Company For The Financial Year Ended 31 August 2020 Together With The Reports Of The Directors And Auditors Thereon**

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

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

4. **ORDINARY RESOLUTIONS 1 TO 9**

All the resolutions tabled at the 24th AGM of the Company held on 29 January 2021 and voted by poll were duly passed by the shareholders.

5. **TERMINATION**

There being no further business, the meeting closed at 3.43 p.m. with a vote of thanks to the Chairman.