

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

MINUTES OF ANNUAL GENERAL MEETING

MINUTES OF THE TWENTY-SIXTH 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 TUESDAY, 17 JANUARY 2023 AT 3.00 P.M.

ATTENDANCE: As per attendance list

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-Sixth Annual General Meeting ("26th AGM" or "the Meeting").

2. QUORUM

The Meeting was called to order as the Company Secretary confirmed that the quorum was present.

3. NOTICE OF MEETING

The notice of 26th AGM having been circulated within the statutory period, was taken as read.

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

- 4.1 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. A copy of the queries and responses were attached hereto as APPENDIX I.

5. PROCEDURES TO CONVENE THE AGM

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

The Secretary, on behalf of the Chairman, also informed the members that the Company has appointed Agriteum Share Registration Services Sdn. Bhd. as Poll Administrator and J. Heng Corporate Advisors Sdn. Bhd. as the Scrutineer to conduct the polling process and to verify the poll results respectively. The polling process for the resolutions would be conducted upon completion of the deliberation of all the proposed resolutions transacted at the 26th AGM.

The Secretary informed that Mr Ng Seng Lee and Ms Cheok Ee Yee are the shareholders of the Company and that they have offered to be the proposer and seconder respectively for all the resolutions in the agenda of this meeting.

The Secretary then presented the agenda of the 26th AGM as follows:-

6. AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 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 invited the shareholders or proxies to raise questions on the AFS.

The Meeting noted that the Company's AFS for the financial year ended 31 August 2022 together with the reports of the Directors and Auditors were duly tabled and received by the shareholders before the Meeting.

**7. ORDINARY RESOLUTION 1
TO APPROVE THE PAYMENT OF DIRECTORS' FEES UP TO RM187,000.00 FOR THE FINANCIAL YEAR ENDING 31 AUGUST 2023.**

The Secretary informed the Meeting that the Ordinary Resolution 1 was to approve the payment of Directors' fees of up to RM187,000 for the financial year ending 31 August 2023.

**8. ORDINARY RESOLUTION 2 TO 5
TO RE-ELECT DATO' SERI ONG CHOO HOON, MR ONG SENG CHYE, MR LEE KHAI AND MADAM TERESA TAN SIEW KUAN, WHO RETIRING UNDER THE COMPANY'S CONSTITUTION.**

The Secretary informed the Meeting that the Ordinary Resolution 2 and Ordinary Resolution 3 were to re-elect Dato' Seri Ong Choo Hoon and Mr Ong Seng Chye respectively, who retiring under Article 111 of the Company's Constitution.

She then continued with Ordinary Resolution 4 and Ordinary Resolution 5 on the re-election of Mr Lee Khai and Madam Teresa Tan Siew Kuan respectively, who retiring under Article 118 of the Company's Constitution, and who being eligible had offered themselves for re-election.

**9. ORDINARY RESOLUTION 6
TO RE-APPOINT MESSRS GRANT THORNTON MALAYSIA PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION.**

The Secretary informed the Meeting that the Ordinary Resolution 6 was to re-appoint Messrs. Grant Thornton Malaysia PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

**10. ORDINARY RESOLUTION 7
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS.**

The Secretary informed the Meeting that the Ordinary Resolution 7 was on the authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016 and waiver of pre-emptive rights.

11. **ORDINARY RESOLUTION 8
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
("PROPOSED SHAREHOLDERS' MANDATE")**

The Secretary informed the Meeting that the Ordinary Resolution 8 was in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

The Secretary informed the shareholders that the interested directors, major shareholders and person connected as listed under Section 3 on page 12 of the Circular to shareholders are deemed interested in the proposed renewal of shareholders' mandate and accordingly would abstain from voting the relevant resolution.

12. **OTHER BUSINESS**

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

13. **POLLING PROCESS**

The Secretary, on behalf of the Chairman, invited Ms Chin from Agriteum Share Registration Services Sdn Bhd to brief the shareholders and proxies on the polling procedures. After Ms Chin finished the briefing, the Secretary requested the members and proxies to cast their votes in the voting slips which were distributed to them earlier.

At 3.18 p.m., the Secretary informed the members that the meeting would adjourned for 30 minutes or until the counting of the votes was completed. She further informed the members that the meeting would resume thereafter for the declaration of the result of the poll, meanwhile the members were invited for refreshment served at the back of the meeting room.

14. **ANNOUNCEMENT OF POLL RESULT**

At 3.38 p.m., the Secretary called the Meeting to order for the declaration of results. The poll results was displayed on the screen. A copy of which is attached hereto as APPENDIX II.

The Secretary declared that all the resolutions were duly passed.

15. **TERMINATION**

There being no other matters to discuss, the meeting ended at 3.39 p.m. with vote of thanks to the Chairman.

CONFIRMED CORRECT,

DATO' SERI ONG CHOO HOON

Chairman

Date: 17 January 2023

WRITTEN QUERIES FROM MINORITY SHAREHOLDER WATCH GROUP (“MSWG”)

Operational and Financial Matters

1. The Group had decided to discontinue and handover the management of Pulau Burung’s landfill operations to Majlis Bandaraya Pulau Pinang (“MBPP”) and Majlis Bandaraya Seberang Perai (“MBSP”). (Page 9 of AR)

- (a) What were the challenges faced by the Group in operating the landfill operations that eventually leads to the discontinuance of the landfill operations?

Since taking over the operations of Pulau Burung landfill site, PLB Terang Sdn Bhd (“PLBT”) had suffered continued losses due to rising cost of operations while the rate of tipping fee was capped at RM22.22 per tonne for domestic waste since 16 July 2017. In consideration of the above, the Group had decided to cut its losses by initiating the mutual termination of the Concession Agreement with both the Majlis Bandaraya Pulau Pinang (“MBPP”) and Majlis Bandaraya Seberang Perai (“MBSP”).

- (b) How long the Company has been operating the landfill operations?

PLBT had been operating the Landfill site since 16 July 2012 until the handover date of 1 August 2022.

- (c) How much was the accumulated profit/(loss) recorded by the Group from the commencement of the operation of the Pulau Burung’s landfill operations till its discontinuance.

PLBT had recorded accumulated losses amounting to RM38,085,258 as at 31 August 2022.

- (d) What are the estimated recoverable values from the property, plant and equipment respectively resulting from the discontinuance of the landfill operations?

Please refer to the Statement of Financial Position under line item “Non-current assets held for sale” for the indicative recoverable value of RM58,000,000. The recoverable value is still in the process of deliberation by all parties.

- (e) Has the Group identified any new business venture after the discontinuance of the landfill operation? If yes, kindly provide some details of the new business venture?

The Group shall focus on the Jelutong rehabilitation project which is measured at approximately eighty-four (84) acres located in Jelutong, Penang along Lebuh raya Tun Dr Lim Chong Eu (“Existing Area”) and the additional area in excess of the Existing Area to be rehabilitated by the Company as required and approved by the relevant authorities. The master layout plan was submitted to the Town and Country Planning Department (JBPD) and was approved on 10 November 2022. Currently, submission for all relevant authority approvals including the Environmental Impact Assessment (EIA) approval are underway.

In relation to Jelutong rehabilitation project, the Group will also construct and operate a new integrated recycling centre to be located on a site to be procured and acquired by PLB or its nominated subsidiary, for receiving, sorting and recovery of construction and demolition waste, green waste and excavation waste only, and the preparation thereof for reuse or recycling.

(f) What is the Company's plan on the Company's staff who have been made redundant after the Company stopped operating the landfill at Pulau Burung?

Most of the staff have resigned while the few remaining operation staff are assisting in the new integrated recycling centre related to the Jelutong rehabilitation project.

2. It was noted that certain facilities as stipulated in the concession agreement were either not completely constructed or have not commenced operations as stipulated in the concession agreement between MBSP, MBPP and PLBT. (Page 134 of AR)

(a) Why PLBT was unable to construct or commence certain facilities as stated in the concession agreement?

The construction of the material recovery facilities was not completed due to cash flow reason as the revenue generated from landfill site could only partially cover the direct operating costs incurred in operating the landfill site.

(b) Please name the facilities that PLBT either did not construct or commence.

Material Recovery Facilities Plant, Road Access, Utilities and Transfer Waste Station were not completely constructed.

3. An impairment loss of RM30,053,190 (2021: RM Nil) was recognised in profit or loss to write down the carrying amount of certain property, plant, and equipment to its recoverable amount. This is in relation to the waste management service that the Group has decided to discontinue. (Page 69 of AR)

Please provide a breakdown of the impairment loss on property, plant, and equipment respectively.

Assets Relating To Waste Management Services	NBV RM'000
<i>Plant and machinery plus office and site equipment</i>	<i>185</i>
<i>Leachate Treatment Plants</i>	<i>16,174</i>
<i>Material Recovery Facilities (MRF) Machinery</i>	<i>13,010</i>
<i>MRF Plant</i>	<i>17,146</i>
<i>Landfill Cells Construction</i>	<i>23,358</i>
<i>2nd Process Machinery</i>	<i>18,180</i>
<i>Total</i>	<i>88,053</i>
<i>Less : Indicative Value On Properties from Independent Valuer</i>	<i>(58,000)</i>
<i>Impairment Losses</i>	<i>30,053</i>

4. **The waste management service provided by a subsidiary, PLBT recorded a much higher direct cost of RM20.49 million in FY 2022 as compared to RM14.72 million in FY 2021, an increase of RM5.77 million or 39.2 %.**

However, the revenue from the waste management service was RM18.54 million in FY 2022, marginal higher as compared to RM18.31 million in FY 2021. (Page 121 of AR)

Please explain the reason(s) for the higher direct cost in FY 2022 as compared to FY 2021.

The higher direct cost in FY 2022 was mainly due to the following expenses incurred during the fire incident and for the upkeep and maintenance of the landfill site before handover to MBSP:-

- *Fire extinguished related expenses amounting to approximately RM1.43 million.*
- *Crusher Run and Red Earth for landfill upkeep and maintenance purpose increased by RM1.75 million.*
- *Rental of Machinery increased by RM1 million due to the necessity to upkeep and maintain the landfill cells in order to hand over on the stipulated date.*
- *Depreciation for Plant & Machinery increased by RM1.31 million as the leachate treatment plant has commenced operation during the financial year.*

5. **The Company recorded gain on disposal of property, plant, and equipment of RM2.47 million in FY 2022 as compared to RM0.20 million in FY 2021. (Page 63 of AR)**

- a. **Please provide the type and value on the gain on disposal of property, plant, and equipment.**

Disposal of land situated at GM 188,614 and 784 (Lot 252, 253 and 1962) within Mukim 16, District of Seberang Perai Tengah, Penang measuring 4.86 acres for sales consideration of approximately RM3 million.

- b. **What was the reason for the disposal of property, plant and equipment that resulted a gain of RM2.47 million.**

The reason for the disposal of land was to reduce the bank borrowings and generate funds for working capital purposes.

6. **The Stone,” constitutes 1,000 units of 1,000 square feet residential units has Sale and Purchase Agreement (“SPA”) signed of 97% while the Dew which was launched in Oct 2021 consists of 281 units of affordable has SPA signed of 48% only. (Page 11 of AR)**

- a. What were the reasons for the high take-up rate of the Stone but a low take-up rate for the Dew as both units have the same buildup of 1,000 square feet.**

The Stone has been launched and SPAs were signed after Developer License and Advertising Permit was obtained in Jan 2018 whereas The Dew was only launched in Oct 2021.

- b. What marketing strategies the Group has taken to boost the Dew's take-up rate and how successful are the strategies in term of the take-up rate?**

The Group has engaged sales agents to sell the units. So far, this strategy has been satisfactory.

APPENDIX II

PLB ENGINEERING BERHAD (Company No.199701002728)		J. HENG CORPORATE ADVISORS SDN. BHD. (Co. No. 316637-V)		Date : 17-01-2023 03:28:42
Meeting No	: A26			
Type Of Meeting	: 26th Annual General Meeting			
Venue	: PLB Engineering Berhad, 3rd Floor, Training Room 1320, Jalan Baru, Taman Chai Leng 13700 Prai, Penang			
Date & Time	: 17 January 2023, at 3:00 PM			
<u>Notes Summary Report</u>				
Resolution (s)		Total Records	Total Shares	Total Percentage
<i>Ordinary Resolution 1</i>				
To approve the payment of Directors' fees and Directors' benefits amounting to RM187,000.00 for the financial year ending 31 August 2022.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	
<i>Ordinary Resolution 2</i>				
To re-elect Dato' Seri Ong Choo Hoon who retires pursuant to Article 111 of the Company's Constitution.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	
<i>Ordinary Resolution 3</i>				
To re-elect Mr Ong Seng Chye who retires pursuant to Article 111 of the Company's Constitution.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	
<i>Ordinary Resolution 4</i>				
To re-elect Mr Lee Khai who retires pursuant to Article 118 of the Company's Constitution.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	
<i>Ordinary Resolution 5</i>				
To re-elect Madam Teresa Tan Siew Kuan who retires pursuant to Article 118 of the Company's Constitution.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	
<i>Ordinary Resolution 6</i>				
To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	

Votes Summary Report				
Resolution (s)		Total Records	Total Shares	Total Percentage
<i>Ordinary Resolution 7</i>				
To authorise Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights	For	24	95,109,732	100.000000
	Against	0	0	0.000000
	Valid Cast	24	95,109,732	100.000000
	Abstain	0	0	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u>	
<i>Ordinary Resolution 8</i>				
To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	For	12	14,158,837	100.000000
	Against	0	0	0.000000
	Valid Cast	12 ✓	14,158,837	100.000000
	Abstain	12 ✓	80,950,895 ✓	
	Spoilt	0	0	
	Total Cast	<u>24</u>	<u>95,109,732</u> ✓	