

MINUTES OF ANNUAL GENERAL MEETING

MINUTES OF THE TWENTY-SEVENTH 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, 30 JANUARY 2024 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-Seventh Annual General Meeting ("27th 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 27th 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 27th 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 had appointed Braxton Consulting Sdn Bhd as Poll Administrator and Symphony Corporate Services Sdn Bhd as the Scrutineer to conduct the polling process and to verify the poll results respectively. The polling process for the resolutions was conducted upon completion of the deliberation of all the proposed resolutions transacted at the 27th AGM.

The Secretary informed the Meeting that Mr Ng Seng Lee and Ms Cheok Ee Yee being shareholders of the Company 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 27th AGM as follows:-

6. **AGENDA 1 - TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 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 was not 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 2023 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 RM200,000.00 FOR THE FINANCIAL YEAR ENDING 31 AUGUST 2024.**

The Secretary informed the Meeting that the Ordinary Resolution 1 was to approve the payment of Directors’ fees of up to RM200,000 for the financial year ending 31 August 2024.

8. **ORDINARY RESOLUTION 2 TO 3
TO RE-ELECT DATO’ ONG GUAT BENG AND WEIN SIEW FEN, WHO RETIRING UNDER THE COMPANY’S CONSTITUTION.**

The Secretary informed the Meeting that the Ordinary Resolution 2 and Ordinary Resolution 3 was to re-elect Dato’ Ong Guat Beng and Madam Wein Siew Fen respectively who retired under Article 111 of the Company’s Constitution.

9. **ORDINARY RESOLUTION 4
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 4 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 5
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 5 was for 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 6
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 6 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 11 and 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 Chew from Braxton Consulting Sdn Bhd to brief the shareholders and proxies on the polling procedures. After the briefing, the Secretary requested the members and proxies to cast their votes in the voting slips which were distributed to them earlier.

At 3.35 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 refreshments served at the back of the meeting room.

14. ANNOUNCEMENT OF POLL RESULT

At 3.46 p.m., the Secretary called the Meeting to order for the declaration of results. The poll results were 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. QUESTIONS AND ANSWERS SESSION

On reply from the Management to the query No. 2(a) item 13 presented on the slide, Mr Lee Chee Meng requested the Management to elaborate the "Secure 50% of the Tenders submitted". Dato' Siow provided an illustrative example, stating that if 10 tenders were submitted, the expectation would be to successfully secure 50% of them, resulting in 5 secured tenders.

Mr. Lee Yook Siong ("LYS") enquired about the Board's plan on improving the Group's financial performance in year 2024.

Dato' Siow explained that the adverse impact arose from Covid-19 movement control order on the Group was realised in year 2022 together with last year's interest rate spike to 4 times higher than the previous year. He opined that the Group's performance should rebound in year 2024. The Group would focus on all types of development projects in Penang Island and Seberang Perai. Currently, the two subsidiaries, Gaintrend Sdn Bhd and PLB Green Construction Sdn Bhd would mainly focus on factory building projects to increase the revenue.

On the development segment, affordable housing is also very competitive due to increase in construction cost between 30 to 40% but selling price remains with no changes. The Management is striving to reduce costs without compromising quality and safety.

LYS further commented on the dropping of the share price and suggested to the Board to declare dividends in the future.

Mr Lee Chee Meng praised Dato' Seri Ong Choo Hoon and Dato' Ong Guat Beng for making advances to the Company without charging interests.

16. **TERMINATION**

There being no other matters to discuss, the meeting ended at 3.47 p.m. with vote of thanks to the Chairman.

CONFIRMED CORRECT,

DATO' SERI ONG CHOO HOON
Chairman

Date: 30 January 2024

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

Operational and Financial Matters

1. The due diligence process of mutual termination of the waste management concession agreement between PLB Terang Sdn Bhd and both Majlis Bandaraya Seberang Perai and Majlis Bandaraya Pulau Pinang is currently still in progress. (Page 9 of AR)

- (a) What is the expected buyout price offered by the authorities and the asking price by the Group?

An independent valuer, AJC Property Surveyors Sdn Bhd (AJC) has been appointed by the Local Councils to determine the current market value (As Is Where Is Basis) to purchase the Company’s right title and interest in the Facilities and the Project. The value of the Facilities and the Project is stated as RM 49,410,821.38 as per its valuation report dated 29 December 2022. This is the asking price by the Group.

The buyout price offered by the authorities is expected to be a figure close to the AJC’s value which will be fair and reasonable.

- (b) When is the due diligence process expected to be completed?

The due diligence process is completed as to-date.

2. The Group will strive to enhance operational efficiency to meet the corporate KPIs going forward. (Page 9 of AR).

- (a) Please outline the Group’s corporate KPIs that it has achieved in FY 2023 and what is the percentage of achievement as compared to the total number of KPIs set.

The Group’s corporate KPIs that have been achieved are as follows:-

No	Key Performance Indicator (KPI)
1	<i>Securing personnel with zero Loss Time Injury incident within premises</i>
2	<i>Achieve 70% satisfaction rate of supplier selection for PRODUCT and SERVICE criteria</i>
3	<i>Provide supplier Quotation comparison list within 5 working days upon request made by project department</i>
4	<i>Achieve 85% prevention of non-conformity for SIRIM audit</i>
5	<i>Achieve 90% ISO Awareness Assessment for new Employees</i>
6	<i>Achieve 90% of the overall target progress percentage</i>
7	<i>Achieve 90% compliance on quality of work done</i>
8	<i>To monitor and control construction material wastage, specifically for: (i) steel bar (3%) (ii) concrete (5%)</i>
9	<i>Reduce non-compliant Safety, Health and Environmental regulations by 50%</i>
10	<i>Complete 100% risk assessment documentation required at site</i>
11	<i>Achieve sales target i.e.50% signed SPA within 1st year upon APDL approval</i>
12	<i>Progress Claim & Collections Issue progress billing to purchaser within 3 working days after receipt</i>

	<i>of architect's certificate and collect 90% of subsequent progress billing within the stipulated time frame.</i>
13	<i>Secure 50% of Tenders submitted</i>
14	<i>Cap variance of budget within 10% for all projects</i>
15	<i>Submit Quarterly Management Accounts by 20th work day after end of Quarter</i>
16	<i>Submit Annual plus 3 years' Budget 7 days before 3rd Quarter Board Meeting date</i>
17	<i>Achieve 85% in desktop computer / laptop computer uptime use by PLB ground staff.</i>

The percentage of achievement is 89.47% (17 KPIs out from 19 KPIs in total).

- (b) Please name any KPIs that the Group was not able to achieve in FY 2023 and what were the reasons the Group was unable to achieve the KPIs.

The Group KPIs that were not achieved are as follows:-

No	Key Performance Indicator (KPI)	Reasons
1	<i>Improve 10% Group Clocking Performance</i>	<i>Missing Clocking records due to lack of manpower during security guard turnover period (resignation & installation of new security guard).</i>
2	<i>Achieve database recovery rate by 100% from last backup to PLB HQ staff.</i>	<i>Due to database being corrupted by ransomware, only 90% of data has been recovered as at December 2023. Remaining 1 out of 7 servers are still pending recovery.</i>

3. An amount of RM18,180,000 representing a write-down of the Group's assets that were left idle and will not be used following the management's decision to cease its waste management division. (Page 99 of AR)

Will the Group be able to find any buyer for the above idle assets? If yes, any indicative value it is able to sell?

The assets that were left idle were intended to be refurbished and set up as part of the waste segregation system at the upcoming rehabilitation project located at Jelutong site or at the Interim Integrated Recycling Centre (IIRC). In view of this refurbishment, the Group has no intention to sell off the above assets.

4. Included in other payables is an amount of RM15,450,000 in FY 2023 due to directors of the company.(2022:RM2,100,000)(Page 121 of AR)

- (a) Please explain why the amount due to the directors of the Company has increased substantially.

The increase in amount due to the directors of the Company is mainly due to funds advanced as working capital of the Company to support the operations activities.

- (b) Is there any interest charge by the directors of the Company on the amount due to them? If yes, what is the rate of interest?

There is no interest charged by the directors of the Company.

- (c) When can the Company expect to repay the amount due to the directors of the Company?

No repayment for the amount due to the directors in the next twelve months from 31st August 2023 unless the funds of the Company permit repayment and such repayment will not adversely affect the ability of the Company to meet its liabilities as and when they fall due.

- (d) Kindly provide the names of the directors that advanced the RM15.45 million to the Company?

<i>Advanced from the directors:</i>	<i>RM</i>
1) <i>Dato' Seri Ong Choo Hoon</i>	<i>12,350,000.00</i>
2) <i>Dato' Ong Guat Beng</i>	<i>3,100,000.00</i>
<i>Total</i>	<i>15,450,000.00</i>

5. On 7 August 2023, PLB Land Sdn. Bhd., a wholly owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with Milenium Baru Sdn. Bhd. For the disposal of two parcels of land held for development for a total consideration of RM26.21 million. As at the date of this report, the disposal transaction has yet to complete. (Page 149 of AR)

What will be the impact of the disposal on the Group's financial result and when it is expected to be completed.

Based on the Sale Consideration of RM26,212,812.00, the Disposal is expected to result in a gain of approximately RM10,649,613 derived from the computation as follows:

	<i>RM</i>
<i>Sale Consideration</i>	<i>26,212,812</i>
<i>Less:</i>	
<i>Audited net book value as at 31 August 2023</i>	<i>(15,170,007)</i>
<i>Expenses incurred for the Properties</i>	<i>(393,192)</i>
<i>Estimated real Properties gain tax</i>	<i>—</i>
<i>Gain</i>	<i>10,649,613</i>
<i>Taxation</i>	<i>(2,555,907)</i>
<i>Net gain after taxation</i>	<i>8,093,706</i>

Barring any unforeseen circumstances, the Disposal is expected to be completed by 6 February 2024.

6. On 27 November 2023, PLB- KH Bina Sdn. Bhd., a wholly owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with Big Five Capital Sdn. Bhd. For the disposal of an investment property for a total consideration of RM4.36 million. As at the date of this report, the disposal transaction has yet to be completed. (Page 149 of AR)

What will be the impact of the disposal on the Group's financial result and when it is expected to be completed.

Based on the Sale Consideration of RM4,356,000.00, the Disposal is expected to result in a gain of approximately RM2,204,511 derived from the computation as follows:

	RM
Sale Consideration	4,356,000
Less:	
Audited net book value as at 31 August 2023	(1,149,601)
Expenses incurred for the Properties	(871,208)
Estimated real Properties gain tax	(130,680)
Gain	2,204,511

Barring any unforeseen circumstances, the Disposal is expected to be completed by end May 2024.

7. The Group has been awarded new external construction projects which amount to RM44.64 million during FY 2023. (Page 9 of AR)

Please name the type of construction projects that were awarded, its value and construction period, respectively.

No	Construction Projects (as described in the award letter)	Construction Period	Contract Sum, RM
1	Cadangan Mendirikan 1 Blok Bangunan 7 Tingkat (Annexe Kepada Bangunan Tempat Letak Kereta 9 Tingkat) Yang Mengandungi: - Ruang "Physiotherapy" & Ruang "Laundry" di Paras 1 - Tempat Letak Kereta di Paras 2-7. Di atas Lot - Lot 799, 2629, 2630, 350, 352 (Lot - Lot Baru 10168) & 1319, Seksyen 1, Bandar Georgetown, D.T.L., Jalan Burma, Pulau Pinang. - 7 Storey CarPark for Adventist Hospital & Clinic Services (M).	15/03/23 – 15/06/24	16,574,000
2	Cadangan Tambahan Sebuah Gudang Setingkat Dan Pejabat Di Tingkat Mezzanine Kepada Kilang Sedia Ada No. 1177, Di Atas Lot 20022 (Plot 314A), Jalan Perindustrian Bukit Minyak 18, Penang Science Park, Simpang Ampat, Mukim 13, Seberang Perai Tengah, Pulau Pinang for PCF Food Solution Sdn Bhd	07/04/23 – 07/02/24	18,870,000
3	Cadangan Membina dan Menyiapkan : Zone C Extension at Porsche Production Building (PPP) di atas sebahagian PT 439, Mukim Padang Meha, Daerah Kulim, Kedah Darul Aman for Sime Darby Auto Stuttgart Sdn Bhd	03/07/23 – 03/01/24	9,200,000
	Total		44,644,000

Corporate Governance Matters

1. The Group has outsourced the internal audit function to an independent firm, PKF Management Sdn. Bhd (“IA”) to support the Audit Committee in discharging its duties and responsibilities. (Page 50 of AR)

- a) What is the number of internal reports conducted by the IA in FY 2023.

There were 4 number of internal reports conducted by the IA in FY 2023.

- b) Please name the areas of audit work conducted by IA in FY 2023.

The areas of audit work conducted by IA are as follows:

- i) HR Management*
- ii) Project Management*
- iii) Financial Management*
- iv) Material to Claim Management*

- c) What were the key findings of the IA on the audit work conducted in FY 2023.

The key findings of the IA on the audit work conducted are:-

- i) Project Management*

- “Liquidated and Ascertained Damages” (LAD) was not charged on Sub-Contractors

- No prior approval granted for certain urgent variation works

- ii) Financial Management*

- Absence of segregation of duties in accounting software system

- iii) Material to Claim Management*

- Lapses in application for “variation order”

- d) Has the Group rectified the key weaknesses highlighted by the IA? If no, why?

The Group has rectified the key weaknesses highlighted by the IA within the stipulated completion date.

- i) Project Management*

- L.A.D. was not charged on sub-contractors as Extension of Time (EOT) was obtained from Ministry of Housing by the in-house Developer and it was awarded concurrently by the Developer to the Main Contractor and Sub-contractors. The Group has formalized the application process of EOT for sub-contractors to use to formally request from the Main Contractor for the EOT of construction, if required.

- For urgent variation works, the Standard Operating Procedure (SOP) has been revised to allow works to be carried out immediately prior to obtaining approval. Documentation to follow.

- ii) Financial Management*

- Segregation of duties in accounting software is in place. Management Information System personnel will conduct periodic review on accounting software users' access functions control.

iii) Material to Claim Management

- SOP is in place with regards to the application, submission, review and approval of Variation Order, where applicable.



PLB ENGINEERING BERHAD (199701002728 (418224-X))

27TH ANNUAL GENERAL MEETING

PLB ENGINEERING BERHAD, 3RD FLOOR, TRAINING ROOM, 1320 JALAN BARU, TAMAN CHAI LENG, 13700 PRAI, PULAU PINANG, MALAYSIA.

Tuesday, 30 January 2024 at 03:00 PM

RESULT ON VOTING BY POLL

RESOLUTION	VOTED	NO. OF SHAREHOLDERS / UNITHOLDERS	NO. OF SHARES / UNITS	% OF SHARES / UNITS	ABSTAIN * NO. OF SHARES / UNITS
ORDINARY RESOLUTION 1	FOR	14	85,573,237	99.950360	0
	AGAINST	1	42,500	0.049640	
ORDINARY RESOLUTION 2	FOR	14	85,573,237	99.950360	0
	AGAINST	1	42,500	0.049640	
ORDINARY RESOLUTION 3	FOR	15	85,615,737	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 4	FOR	15	85,615,737	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 5	FOR	15	85,615,737	100.000000	0
	AGAINST	0	0	0.000000	
ORDINARY RESOLUTION 6	FOR	10	14,320,274	100.000000	71,295,463
	AGAINST	0	0	0.000000	

Note: * These votes refer to holders who have pre-determined abstain from voting in the Proxy Form or holders refrained from voting due to conflict of interest.

