

MGB BERHAD
(Company No.: 589167-W)
(Incorporated in Malaysia)

SUMMARY OF MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING of MGB Berhad (“MGB” or “the Company”) held at Ballroom III, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 18 June 2019 at 10.00 a.m.

PRESENT : Directors
Dato’ Abdul Majit bin Ahmad Khan (Chairman)
Datuk Lim Lit Chek
Mr Lim Kim Hoe
Mr Chin Sui Yin
Dato’ Beh Hang Kong
Puan Nadhirah binti Abdul Karim

ABSENT WITH APOLOGIES : Tan Sri Lim Hock San, JP
Datuk Wira Lim Hock Guan, JP

SHAREHOLDERS/ PROXIES : As per attendance sheets
(hereinafter collectively referred to as “Members”)

IN ATTENDANCE : Mr. Yeo Wee Ching - Company Secretary

1. CHAIRMAN

Dato’ Abdul Majit bin Ahmad Khan (“**Dato’ Chairman**”) took the Chair and welcomed the Members to the Seventeenth Annual General Meeting (“**17th AGM**” or “**the Meeting**”) of the Company.

Dato’ Chairman extended his apology on behalf of Tan Sri Lim Hock San, the Group Managing Director and Datuk Wira Lim Hock Guan, the Executive Director of the Company who unable to attend the Meeting.

Dato’ Chairman then introduced the Directors and the representatives from Messrs. UHY and Messrs. Mah Kamariyah & Philip Koh, being Auditors of the Company and the appointed solicitors respectively, who were present at the 17th AGM.

2. QUORUM

The requisite quorum being present pursuant to Article 53 of the Company’s Constitution of the Company, Dato’ Chairman declared the Meeting was duly convened.

3. NOTICE OF THE MEETING

The Notice of the Meeting having been circulated within the stipulated statutory period to shareholders, was taken as read.

Before proceeding with the agenda of the Meeting, Dato' Chairman explained to the Meeting on the procedure of voting on a resolution where all the resolutions set out in the Notice of 17th AGM would be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Dato' Chairman further informed the Meeting that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") as the Poll Administrator to conduct the polling process and Scrutineer Solutions Sdn Bhd ("**Scrutineer Solutions**") as the independent scrutineers to validate the poll results. The voting process for the resolutions would be conducted upon completion of the deliberation of all agenda items to be transacted at the 17th AGM.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors ("**AFS 2018**") were tabled for discussion.

Dato' Chairman then invited questions from the floor on the AFS 2018. The Meeting deliberated on this item. In summary, the questions raised were responded by the Management as follows:

- (i) Mr Ho Yueh Weng ("**Mr Ho**"), a proxy, enquired on (1) the outlook of the Company; (2) the challenges / competitions that lie ahead within the business environment; (3) business plans/strategies to drive company's performance; (4) the reasons for the increase in expenditure and staffs costs; (5) concerns over hike in cement and steel prices as well as (6) to provide an update on the Group's Industrialised Building System ("**IBS**") plants.

Datuk Lim Lit Chek ("**Datuk Richard Lim**"), the Executive Director and Chief Executive Officer of the Company, responded that there is no change in the Company's business plan/strategy and the Group shall continue to focus on its business strategies by leveraging on the adoption of IBS technology to actively tender for more construction projects, particularly on affordable home projects. However, the progress has been delayed for a year mainly due to the uncertainty over the major policies and political shifts arising from the change of government. With the clearer policy direction from the Federal and State Government is taking place, the Group has successfully been selected and identified by the Selangor State Government as collaboration partner in delivering affordable houses, which is known as "*Rumah Idaman*". In this regard, the Group has secured a Rumah Idaman project in Shah Alam and the Group hopes more to come.

With reduced activity level, the competition for construction industry remains intense domestically and thus resulting in lower margins. In addressing it, we differentiate from our competitors being an innovative total solution design and build expert in providing full range of services from the initial stage of planning and design until the final stage operation and management coupled with the capability to self-supply IBS precast concrete components. Furthermore, instead

of relying solely on market, our focus is always making ourselves more efficient by exploring for new innovative and sustainable methods of construction to preserve/improve profit margin i.e. adoption of IBS Precast Concrete System.

Datuk Richard Lim further elaborated that the increase in staffs cost was in correspondence with the increased in headcount to support the business expansion which the Group have invested approximately RM20 million and RM40 million for both manufacturing IBS precast concrete plants in Alam Perdana and Nilai respectively. Both plants possess the combined production capability of producing 4,000 units of properties annually, which were operational in May 2018 and March 2019 respectively. It is expected that the increase in production volume will help to achieve economies of scale when both manufacturing plants operate at their full swing in 2019.

Following the implementation of the initiative, the reliance of manual labour is being reduced and we have successfully produced and supplied for our pilot IBS precast concrete project for 673 units of double storey terrace houses at LBS Alam Perdana township, which has achieved IBS score of approximately 90%.

In respect of the concern over hike in cement and steel prices, it is learnt that Government is looking into it and will discuss with industry players on strategies to mitigate the adverse impact of higher cement prices. As for the steel prices, our usage will be lower by adopting precast concrete system thus our impact will be relatively lower compared to competitors.

There being no further questions raised, the AFS 2018 thereon was received as properly laid before the 17th AGM.

Dato' Chairman then informed the Meeting that in accordance to Section 340 of the Companies Act, 2016, the AFS 2018 were laid before the Meeting for discussion only. As the formal approval of the Members were not required for this agenda item, the matter was not put forward for voting.

With that, the Chairman concluded the question and answers session for the item 1 of the Agenda and proceeded to the next agenda item.

**5. ORDINARY RESOLUTION 1
APPROVAL ON PAYMENT OF DIRECTORS' FEES AND ALLOWANCE**

The payment of Directors' Fees and Allowance of RM167,450.00 for the financial year ended 31 December 2018 was approved by the shareholders.

**6. ORDINARY RESOLUTION 2
RE-APPOINTMENT OF DATO' ABDUL MAJIT BIN AHMAD KHAN**

The re-appointment of Dato' Abdul Majit bin Ahmad Khan as Director of the Company in accordance with Article 89(g) of the Constitution of the Company was approved by shareholders.

**7. ORDINARY RESOLUTION 3
RE-ELECTION OF DATO' BEH HANG KONG**

The re-election of Dato' Beh Hang Kong as Director of the Company in accordance with Article 90 of the Constitution of the Company was approved by the shareholders.

**8. ORDINARY RESOLUTION 4
RE-ELECTION OF MR CHIN SUI YIN**

The re-election of Mr Chin Sui Yin as Director of the Company in accordance with Article 90 of the Constitution of the Company was approved by the shareholders.

**9. ORDINARY RESOLUTION 5
RE-ELECTION OF PUAN NADHIRAH BINTI ABDUL KARIM**

The re-election of Puan Nadhirah binti Abdul Karim as Director of the Company in accordance with Article 95 of the Constitution of the Company was approved by the shareholders.

**10. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF MESSRS UHY AS AUDITORS OF THE COMPANY
AND TO AUTHORISE DIRECTORS TO FIX THEIR REMUNERATION**

The re-appointment of Messrs. UHY as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors was approved by shareholders.

**11. ORDINARY RESOLUTION 7
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76
OF THE COMPANIES ACT, 2016**

The authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 was approved by the shareholders.

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

The Proposed Shareholders' Mandate was approved by the shareholders.

**13. SPECIAL RESOLUTION
PROPOSED ALTERATION OR AMENDMENT OF THE CONSTITUTION
OF THE COMPANY**

The Proposed Alteration or Amendment of the Company's Constitution was approved by the shareholders.

14. POLL RESULTS

Results of the Poll carried out at the 17th AGM as follows:-

Resolutions	Vote in Favour		Vote Against		Results
	No. of votes	%	No. of votes	%	
Ordinary Resolution 1	422,274,880	100.000	0	0.000	Carried
Ordinary Resolution 2	424,136,284	100.000	0	0.000	Carried
Ordinary Resolution 3	424,136,284	100.000	0	0.000	Carried
Ordinary Resolution 4	419,178,784	98.831	4,957,500	1.169	Carried
Ordinary Resolution 5	424,136,284	100.000	0	0.000	Carried
Ordinary Resolution 6	424,136,284	100.000	0	0.000	Carried
Ordinary Resolution 7	419,176,784	98.831	4,959,500	1.169	Carried
Ordinary Resolution 8	121,112,669	99.998	2,000	0.002	Carried
Special Resolution	424,136,284	100.000	0	0.000	Carried