



MGB BERHAD

Registration No.: 200201021504 (589167-W)
(Incorporated in Malaysia)

MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF MGB BERHAD (“MGB” OR “THE COMPANY”) HELD ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING AND DEEMED HELD FROM THE BROADCAST VENUE AT FUNCTION ROOM, LEVEL 5, PLAZA SERI SETIA, NO. 1, JALAN SS9/2, 47300 PETALING JAYA, SELANGOR DARUL EHSAN VIA THE TIIH ONLINE WEBSITE AT <https://tiah.online> ON TUESDAY, 3 AUGUST 2021 AT 10.00 A.M.

	<u>Directors</u>
PRESENT	: Dato’ Abdul Majit bin Ahmad Khan (Chairman) Tan Sri Dato’ Sri Lim Hock San, JP Datuk Wira Lim Hock Guan, JP Datuk Lim Lit Chek Mr Lim Kim Hoe Mr Chin Sui Yin Dato’ Beh Hang Kong Puan Nadhirah binti Abdul Karim
SHAREHOLDERS / PROXIES (hereinafter collectively referred to as “Members”)	: As per attendance sheets
IN ATTENDANCE	: Mr Chong Voon Wah (Company Secretary)
EXTERNAL AUDITORS	: Mr Lim Yang Yue (Representative from Messrs UHY)

1. CHAIRMAN

Dato’ Abdul Majit bin Ahmad Khan (“**Dato’ Chairman**”) took the Chair and welcomed the Members to the Nineteenth Annual General Meeting (“**19th AGM**” or “**the Meeting**”) of the Company.

Dato’ Chairman highlighted that with the outbreak of Coronavirus Disease (“**COVID-19**”) and as part of the safety measures to curb the spread of COVID-19 pandemic, the 19th AGM is conducted by way of fully virtual via online platform which the domain is registered in Malaysia.

Dato’ Chairman then introduced the Directors and the representatives from Messrs. UHY, being Auditors of the Company, who were present at the 19th AGM.

2. QUORUM

The requisite quorum being present pursuant to Article 53 of the Company's Constitution, 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 19th 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 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 19th AGM.

Before proceeding with the agendas of the meeting, a short system briefing on the voting procedures using the remote participation and voting application was shown during the Meeting and duly noted by the shareholders.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors ("**AFS 2020**") were tabled for discussion.

Dato' Chairman informed the Meeting that the AFS 2020 is meant for discussion only as the Section 340 of the Companies Act 2016 ("**the Act**") does not require a formal approval of shareholders for the Audited Financial Statements. As such, the Chairman declared that the AFS 2020 laid at the 19th AGM in accordance with Section 340(1)(a) of the Act were duly noted and received.

5. ORDINARY RESOLUTION 1 APPROVAL OF THE PAYMENT OF DIRECTORS' FEES AND ALLOWANCE OF RM159,770.00 TO THE NON-EXECUTIVE DIRECTORS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Dato' Chairman informed that Ordinary Resolution 1 is to approve the payment of Directors' fees and Allowance of RM159,770.00 to the Non-Executive Directors in respect of the financial year ended 31 December 2020.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 1 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT the payment of Directors' fees and Allowance of RM159,770.00 to the Non-Executive Directors in respect of the financial year ended 31 December 2020 be and is hereby approved."

6. ORDINARY RESOLUTION 2

APPROVAL OF THE DIRECTORS' BENEFITS OF UP TO RM50,750.00 TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD COMMENCING FROM 1 JANUARY 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

Dato' Chairman informed that Ordinary Resolution 2 is to approve the payment of Directors' Benefits of up to RM50,750.00 to the Non-Executive Directors for the period commencing 1 January 2021 until the next annual general meeting of the Company.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 2 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT the payment of Directors' Benefits of up to RM50,750.00 to the Non-Executive Directors for the period commencing 1 January 2021 until the next annual general meeting of the Company be and is hereby approved."

At this juncture, Dato' Chairman declared his interest in Ordinary Resolution 3 in respect of the proposed re-election of himself as a director of the Company. As such, he invited Tan Sri Dato' Sri Lim Hock San, JP ("**Tan Sri Dato' Sri Lim**") to chair the meeting for the Ordinary Resolution 3.

7. ORDINARY RESOLUTION 3

RE-ELECTION OF DATO' ABDUL MAJIT BIN AHMAD KHAN

Tan Sri Dato' Sri Lim informed the Meeting that Dato' Abdul Majit bin Ahmad Khan who retires in accordance with Article 90 of the Company's Constitution and being eligible, has offered himself for re-election.

Tan Sri Dato' Sri Lim then put the motion to vote the following Ordinary Resolution 3 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT Dato' Abdul Majit bin Ahmad Khan who is retiring in accordance with Article 90 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

At this juncture, Tan Sri Dato' Sri Lim handed over the chair back to the Dato' Chairman for the remaining agendas of the Meeting.

8. ORDINARY RESOLUTION 4

RE-ELECTION OF DATUK WIRA LIM HOCK GUAN, JP

Dato' Chairman informed the Meeting that Datuk Wira Lim Hock Guan, JP who retires in accordance with Article 90 of the Company's Constitution and being eligible, has offered himself for re-election.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 4 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT Datuk Wira Lim Hock Guan, JP who is retiring in accordance with Article 90 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

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

Dato' Chairman informed the Meeting that Puan Nadhirah binti Abdul Karim who retires in accordance with Article 90 of the Company's Constitution of and being eligible, has offered herself for re-election.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 5 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT Puan Nadhirah binti Abdul Karim who is retiring in accordance with Article 90 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

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

Dato' Chairman informed that Ordinary Resolution 6 is to approve the re-appointment of Messrs UHY as Auditors of the Company. He highlighted that the retiring Auditors, Messrs UHY have indicated their willingness to accept re-appointment and continue to serve as Auditors of the Company.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 6 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT Messrs UHY be and is hereby re-appointed 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."

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

Dato' Chairman informed that Ordinary Resolution 7 is relating to the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act.

Dato' Chairman briefed the Meeting that the above proposal if passed, would provide flexibility for the Company and empower the Directors to allot and issue new shares speedily for the purpose of funding future investment, working capital and/or acquisitions. The Members' approval would be appreciated as this will eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the Members for such issuance of shares.

Dato' Chairman then put the motion to vote the following Ordinary Resolution 7 by way of poll upon completion of the remaining businesses of the Meeting :

"THAT subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or person whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this

resolution does not exceed 10% of the issued share capital of the Company for the time being;

THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad (**“Bursa Securities”**);

AND THAT such authority shall be continue in force until the conclusion of the next Annual General Meeting of the Company.”

12. SPECIAL BUSINESS - ORDINARY RESOLUTION 8

PROPOSED NEW SHAREHOLDERS’ MANDATE AND RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”**)**

Dato’ Chairman informed that Ordinary Resolution 8 is to seek Members’ approval for the Proposed Shareholders’ Mandate.

Dato’ Chairman then put the motion to vote the following Ordinary Resolution 8 by way of poll upon completion of the remaining businesses of the Meeting:

“THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Securities for the Company and its subsidiaries (**“the Group”**) to enter into the specified recurrent transactions of a revenue or trading nature with the related parties as stated in Section 2.4 of the Circular to Shareholders dated 17 May 2021 (**“the Circular”**) which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm’s length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act), whichever is earlier;

THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders’ Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:

- (i) the type of transactions made; and
- (ii) the names of the related parties involved in each type of transactions made and their relationship with the Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate."

13. ANY OTHER BUSINESS

After verified and confirmed with the Company Secretary, Dato' Chairman informed that there was no other business to be transacted at the 19th AGM.

14. QUESTIONS AND ANSWERS DISCUSSED AT THE 19TH AGM

Dato' Chairman then invited Datuk Lim Lit Chek ("**Datuk Lim**"), the Executive Director & Chief Executive Officer of the Company, to address the questions received from the shareholders relating to the resolutions tabled at the 19th AGM.

The following questions were raised by the shareholders / proxies and duly replied by Datuk Lim as follows:

Q1 : How the pandemic affecting MGB's operation ?

The operation of the Group's construction sites and IBS manufacturing plants were temporarily halted due to series of Movement Control Order ("**MCO**") and Conditional MCO implemented by the Government to curb the spread of the COVID-19 pandemic. However, having fulfilled several criteria set by Ministry of International Trade and Industry ("**MITI**"), MGB ranked among the first contractors able to commence site operations. At the same time, with the use of the IBS system on site allowed the Group to meet the project deadline with less foreign workers on site to comply with the SOPs. In summary, the Group recorded a lower revenue for financial year 2020 due to the temporary closures of sites and offices during the national MCO implemented by the Government. Notwithstanding that, the Group has response positively to these challenges and able to drive resilience within the organisation and avoided major adverse impacts from the pandemic.

Q2 : What is the economic outlook for the Company and shareholders in next 3 years ?

The ongoing pandemic continue to create uncertainties for the construction and property industry. However, stability and demand remained solid in certain Government driven projects, especially in the area of affordable homes. With MGB's experience, technical capabilities and improved technology to build affordable houses, the management remains optimistic and will be continuously seeking opportunities to secure more contracts to build affordable houses and other projects by leveraging on the Group's expertise and cost efficiency.

Q3 : Is the Company foresee a bigger demand for the IBS system after the pandemic ?

With various of SOPs implemented by the Government to curb the spread of the pandemic in particular the restriction on numbers of the workers at the site, MGB's IBS system will be able to help the client to improve their efficiency whilst reducing the required workforce by approximately 50%. As such, the management is of the view that the demand for the IBS system will be increased after the pandemic.

Q4 : Is there a dividend policy adopted by the Company ?

The Company has adopted the dividend policy in year 2021 with the aim to retain and reward shareholders for their continuous support towards the Company's growth. The Company is setting a policy to declare and pay a minimum dividend of 20% of the Company's profit after taxation based on ordinary operation profits for each financial year. However, the ability to pay dividends is subject to various factors including but not limited to the followings:

- i) The level of the Group's available cash, gearing, return on equity and retained earnings;
- ii) The Group's expected financial performance;
- iii) The Group's projected levels of capital expenditure and other investment plans;
- iv) The Group's working capital requirements; and
- v) The Group's existing and future debt obligations.

After dealing the questions raised by the shareholders, Datuk Lim handed over the chair back to the Dato' Chairman for the remaining agendas of the Meeting.

15. POLL PROCESS

Dato' Chairman then declared to proceed with the vote polling process for the above 8 resolutions.

After the shareholders casted their votes, the Chairman, with the consent of the Meeting, adjourned the Meeting at 10.37 a.m. for the counting and verification of the poll results.

16. ANNOUNCEMENT OF POLL RESULTS

At 10.57 a.m., Dato' Chairman called the Meeting to order for the declaration of the poll results. He informed the Meeting that he had received the poll results from the independent scrutineers and the Poll Administrator as follows :

Resolutions	Vote in Favour		Vote Against		Results
	No. of Votes	%	No. of Votes	%	
Ordinary Resolution 1	415,904,675	99.9999	212	0.0001	Carried
Ordinary Resolution 2	415,904,569	99.9999	318	0.0001	Carried
Ordinary Resolution 3	419,142,850	99.9995	2,022	0.0005	Carried
Ordinary Resolution 4	417,624,860	99.9999	12	0.0001	Carried
Ordinary Resolution 5	419,142,850	99.9995	2,022	0.0005	Carried
Ordinary Resolution 6	419,144,854	99.9999	18	0.0001	Carried
Ordinary Resolution 7	419,144,854	99.9999	18	0.0001	Carried
Ordinary Resolution 8	136,707,625	99.9999	18	0.0001	Carried

Based on the above poll results, Dato' Chairman declared that Ordinary Resolutions 1 to 8 on the Agenda were duly carried.

17. TERMINATION

There being no other business to be transacted, the Meeting ended at 10.58 a.m. with a vote of thanks to Dato' Chairman. Dato' Chairman also thanked the Members for the support and attendance.