

PGF CAPITAL BERHAD
(Company No.: 197801005142)(42138-X)
(Incorporated in Malaysia)

Minutes of the 33rd Annual General Meeting (“AGM”) of the Company held at Kelawai Room, Lobby Level, Evergreen Laurel Hotel Penang, No. 53 Persiaran Gurney, 10250 Penang on Friday, 28th July 2023 at 10.30 a.m.

Board of Directors: -

Mr. Fong Wah Kai	- Executive Chairman
Mr. Fong Wern Sheng	- Group Chief Executive Officer (also Chairman of the Meeting)
Mr. Tan Ming Chong	- Chief Operating Officer
Mr. Khoo Kah Hock	- Independent Non-Executive Director
Ms Ofelia Cheah Loo Ee	- Independent Non-Executive Director
Mr. Tan Jin Sun	- Independent Non-Executive Director
Ms Tan Suat Hoon	- Independent Non-Executive Director

Company Secretary: -

Ms. Ch’ng Lay Hoon

Auditors: -

Ms. Lim Su Ling	- Partner, Messrs KPMG PLT
Mr. Ong Soon Kheng	- Messrs KPMG PLT

By invitation: -

Management of the Company: -

Loo Chee Hin - Chief Financial Officer

The shareholders, corporate representatives and proxies who attended the 33rd AGM shall form an integral part of these Minutes.

The Meeting was informed the Board of Directors of the Company has appointed the Group CEO to be the Chair of the 33rd AGM.

CHAIRMAN ADDRESS AND COMMENCEMENT OF MEETING

The Chairman welcomed all those present for the 33rd AGM of the Company.

The Meeting recorded full attendance of the Board’s members.

The Chairman informed that pursuant to Article 69 of the Company’s Constitution, the quorum necessary for the transaction of business at a general Meeting shall be two members present personally or by proxy or corporate representative entitled to vote. The requisite quorum has been met and the Chairman called the Meeting to order at 10.30 a.m.

VOTING

The Chairman informed the floor that under paragraph 8.29A(1) of the Bursa Main Market Listing Requirements (“Listing Requirements”), the Company must ensure that any resolution set out in the notice of any general Meeting, or in any notice of resolution which may properly be moved at any general Meeting, is voted by poll.

The Meeting noted that the Company’s Share Registrar, Messrs Boardroom Share Registrars Sdn. Bhd., have been appointed as the Poll Administrator to conduct the polling process of this AGM and Messrs Lim Chang & Soo as Independent Scrutineer to verify the poll results. The polling process for all Resolutions for today’s AGM would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

GENERAL INSTRUCTION

The Chairman also informed the Meeting that taking or recording by means of photographs, video or audio at or during the Meeting or of its proceedings is strictly prohibited at the AGM.

NOTICE OF MEETING

The Chairman informed that the Notice of the AGM has been in the shareholders’ hands for the statutory period of not less than 21 days pursuant to Article 63 of the Company’s Constitution and Paragraph 7.15 of the Listing Requirements.

With the consent from the floor, the Notice of Meeting appearing on pages 149-151 of the Annual Report 2023 was taken as read.

The Chairman also reported that there is no legal requirement for a proposed resolution to be seconded, thus the Meeting will be going through each item on the Agenda only.

ORDINARY BUSINESS: -

AGENDA 1

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28TH FEBRUARY 2023 AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman stated that the Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 28th February 2023 have been in the shareholders’ hands for the statutory period.

The Chairman further stated that the Audited Financial Statements of the Company are laid before this AGM pursuant to Article 124 of the Company’s Constitution and Section 248(1) of the Companies Act, 2016 (“Act”) and Section 340(1)(a) of the Act and does not require shareholders to approve the Audited Financial Statements and the laying of the Audited Financial Statements is sufficient to satisfy this requirement.

The Chairman opened the subject matter for discussion and stated that this Agenda is meant for discussion only and it will not be put forward for voting.

There being no questions from the shareholders, the Chairman then declared that the Audited Financial Statements for the financial year ended 28th February 2023 be and is hereby received.

The Chairman informed the floor that the Board of Directors had received a letter from Minority Shareholders Watch Group (“MSWG”), seeking clarification on certain issues.

The Chairman then highlighted the points raised by MSWG and the related responses thereto for the shareholders’ attention: -

Operational & Financial Matters

Financial Performance

In FY2023, PGF recorded a revenue of RM91.1 million compared to the revenue of RM57.6 million recorded in FY2022. This represents a year-on-year increase of 58.2%. PGF managed to record a remarkable profit after tax (PAT) of RM16.3 million in FY2023 compared to a PAT of RM1.9 million recorded in FY2022, mainly due to the higher revenue and a write back of land held for property development written down amount of RM10.7 million.

Without this write back amount of RM10.7 million, PGF would still have managed to record a good bottom-line performance of RM5.6 million compared to the previous year (Page 57 of the Annual Report 2023/AR2023).

(a) Is the good performance sustainable?

The Company’s response: -

The Group believes that the performance could be sustained through cost discipline and continued expansion of business in particular the Oceania region.

(b) What is the outlook for both top-line and bottom-line financial performance in FY2024?

The Company’s response: -

Barring unforeseen circumstances, we expect the top and bottom line will remain flat due to the softening of Malaysia’s construction industry, high interest rates and collapse of major building companies in Australia.

Fibre Glasswool and Related Products

Stocks have been shipped to the Group’s newly established warehouses in Australia, enabling it to enhance its local customer service. With an improved distribution network in place, the Group anticipate this business segment to capture a larger share of the Oceania market (Page 16 of AR2023).

(a) What is the Group’s current warehouse storage capacity in Australia?

The Company’s response: -

The Group currently has 3 warehouses in Australia with a total storage capacity of 10,000 m².

(b) How efficiently is PGF using its entire warehouse space? What is the current warehouse space utilisation rate and expected utilisation rate in FY2024?

The Company’s response: -

The current warehouse space utilisation rate is around 75%, more warehouse space will be added as and when the Group expanding into different geographical areas.

(c) What is the Group’s current and targeted market share in the Oceania market in the next two financial years?

The Company’s response: -

Our current market share in Oceania is at approximately 7%; the targeted market share in the next two financial years is in the range of 12% - 20%.

Property Development

In March 2021, the Group and Malvest Properties Sdn Bhd inked a joint venture agreement to develop a township on a plot measuring approximately 45.0 acres within the Land adjacent to Proton City and AHTV. The Group is currently still in the development planning process with construction planned to commence in 2024 (Page 12 of AR2023).

(a) What is the progress of the development planning?

The Company's response: -

As per the local council request, we are in the midst of rezoning our masterplan to align with the long term local plan (Rancangan Tempatan Muar 2035). This has caused a delay in the submission of Planning Permission (Kebenaran Merancang). The Group, together with Malvest, target to obtain the Planning Permission towards the end of FY23/24 or early FY24/25.

(c) Is there a possibility of a delay in the commencement of the construction?

The Company's response: -

We expect the construction to commence in FY24/25.

Corporate Governance Matters

Practice 5.3 of the Malaysian Code on Corporate Governance states, "If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process."

Up to the date of the AGM, Mr. Khoo Kah Hock would have served on the Board for about ten years and eight months (Page 7 of AR2023)

Does the Board expect him to continue serving as an independent director? If so, why did the Board not seek shareholders' approval to retain him as an independent director at the upcoming AGM?

The Company's response: -

Mr. Khoo Kah Hock plans to step down from the Board at the conclusion of this AGM.

The Chairman of the Meeting took the opportunity to extend the vote of appreciation for Mr. Khoo's contribution during this tenure as Independent Non-Executive Director of the Company.

The Meeting then continued with its proceedings.

RESOLUTION 1

PAYMENT OF FINAL DIVIDEND OF 1.0 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 28TH FEBRUARY 2023

The Meeting was informed that the Board proposed the payment of 1.0 sen per ordinary share in respect of the financial year ended 28th February 2023 and if approved, the entitlement and payment dates shall be on 1 August 2023 and 15 August 2023 respectively.

RESOLUTION 2

RE-ELECTION OF DIRECTOR - MR. FONG WERN SHENG

The Chairman informed the Meeting that in accordance with Article 88 of the Company's Constitution, Mr. Fong Wern Sheng retired by rotation from the Board at the AGM and being eligible, offers himself for re-election.

RESOLUTION 3

RE-ELECTION OF DIRECTOR – MS. OFELIA CHEAH LOO EE

The Chairman informed the Meeting that in accordance with Article 95 of the Company's Constitution, Ms Ofelia Cheah Loo Ee retired by rotation from the Board at the AGM and being eligible, offers herself for re-election.

RESOLUTION 4

RE-ELECTION OF DIRECTOR – MR. TAN JIN SUN

The Chairman informed the Meeting that in accordance with Article 95 of the Company's Constitution, Mr. Tan Jin Sun retired by rotation from the Board at the AGM and being eligible, offers himself for re-election.

RESOLUTION 5

RE-ELECTION OF DIRECTOR – MS. TAN SUAT HOON

The Chairman informed the Meeting that in accordance with Article 95 of the Company's Constitution, Ms. Tan Suat Hoon retired by rotation from the Board at the AGM and being eligible, offers herself for re-election.

RESOLUTION 6

PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 28TH FEBRUARY 2023

The Chairman stated that the Board of Directors are seeking the shareholders' approval for the payment of Directors' Fees of RM26,825.00 for the financial year ended 28th February 2023.

RESOLUTION 7

PAYMENT OF DIRECTORS' OTHER BENEFITS PAYABLES UP TO AN AMOUNT OF RM24,250 FROM 29TH JULY 2023 TO THE NEXT AGM OF THE COMPANY

The Chairman informed the Meeting that the Board of Directors is seeking the shareholders' approval for the payment of Other Benefits Payables up to an amount of RM24,250 from 29th July 2023 to the next AGM of the Company.

RESOLUTION 8

RE-APPOINTMENT OF AUDITORS

The Chairman stated that Resolution 8 is to re-appoint Messrs KPMG PLT as Auditors of the Company and that the Directors be authorised to fix their remuneration.

He further added that the retiring Auditors have indicated their willingness to continue in office.

SPECIAL BUSINESSES: -

RESOLUTION 9

AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT

The Chairman then proceeded with the Special Business of the Agenda to obtain the approval from the shareholders to empower the Directors to issue additional shares up to an aggregate amount not exceeding 10% of the total number of issued share capital of the Company and waiver under Section 85 of the Companies Act 2016.

This resolution, when approved by the shareholders, would allow the Board of Directors a certain amount of flexibility, when the need arises, to issue additional shares subject to approval of all relevant regulatory bodies being obtained, where necessary.

ANY OTHER ORDINARY BUSINESS

The Company Secretary confirmed that there is no notice being served on the Company on this Agenda.

POLLING PROCESS

The Chairman then called upon the Company Secretary to brief the floor on the poll procedures.

The Company Secretary explained to the floor the polling procedures and requested all the shareholders to complete and return the voting slip for casting and verification by the Scrutineer.

Upon calling all voting papers to be deposited into the ballot box, the Meeting declared closing of voting and adjourned for casting and verification.

POLLING RESULTS

The Meeting resumed with the required quorum for declaration of results.

The Chairman announced the below results to the floor: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
1	105,956,353	100.0000	15	-	0.0000	-
2	105,956,353	100.0000	15	-	0.0000	-
3	105,956,353	100.0000	15	-	0.0000	-
4	105,956,353	100.0000	15	-	0.0000	-
5	105,956,353	100.0000	15	-	0.0000	-
6	105,956,353	100.0000	15	-	0.0000	-
7	105,956,053	99.9997	14	300	0.0003	1
8	105,956,353	100.0000	15	-	0.0000	-
9	105,956,353	100.0000	15	-	0.0004	-

The Chairman then declared that all the 8 resolutions were voted unanimously in favour and the Meeting recorded that all resolutions as set out in the Notice of the AGM and tabled were duly carried.

IT WAS RESOLVED: -

Resolution 1

THAT the payment of the final dividend of 1.0 sen per ordinary share in respect of the financial year ended 28th February 2023 be and is hereby approved.

Resolution 2

THAT Mr. Fong Wern Sheng, the Director retiring pursuant to Article 88 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 3

THAT Ms. Ofelia Cheah Loo Ee, the Director retiring pursuant to Article 95 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 4

THAT Mr. Tan Jin Sun, the Director retiring pursuant to Article 95 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 5

THAT Ms. Tan Suat Hoon, the Director retiring pursuant to Article 95 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 6

THAT the payment of Directors' Fees of RM26,825.00 for the financial year ended 28th February 2023 be and is hereby approved.

Resolution 7

THAT the payment of Other Benefits Payables up to an amount of RM24,250.00 from 29th July 2023 until the next AGM of the Company be and are hereby approved.

Resolution 8

THAT Messrs KPMG PLT be and are hereby re-appointed as Auditors of the Company at a remuneration to be determined by the Board of Directors.

Resolution 9

THAT, subject always to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provisions of the Constitution of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being and the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Mandate") and that such authority shall continue in force until the conclusion of the next AGM of the Company;

AND THAT pursuant to Section 85 of the Act read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate AND THAT such new Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;


AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate.

CONCLUSION OF MEETING

The Chairman concluded the Meeting and thanked all those who participated in the Company's 33rd AGM.

There being no other matter to discuss, the Meeting concluded at 11.30 a.m. with a vote of thanks to the Chair.

Confirmed as a correct record



Mr. Fong Wern Sheng
Chairman of Meeting
Group Chief Executive Officer