

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

Minutes of the 34th 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, 26th July 2024 at 10.00 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. Tan Jin Sun	- Senior Independent Non-Executive Director
Ms Ofelia Cheah Loo Ee	- Independent Non-Executive Director
Ms Tan Suat Hoon	- Independent Non-Executive Director

Company Secretary: -

Ms. Ch’ng Lay Hoon

Auditors: -

Mr. Eddy Chan Wai Hun	- Partner, Messrs Crowe Malaysia PLT
Ms. Ngo Pei Voon	- Messrs Crowe Malaysia PLT

By invitation: -

Management of the Company: -

Loo Chee Hin	- Chief Financial Officer
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The shareholders, corporate representatives and proxies who attended the 34th 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 34th AGM.

CHAIRMAN OF THE MEETING ADDRESS AND COMMENCEMENT OF MEETING

The Chairman of the Meeting welcomed all those present for the 34th AGM of the Company.

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

The Chairman of the Meeting 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 of the Meeting called the Meeting to order at 10.00 a.m.

VOTING

The Chairman of the Meeting 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 Yeah & Co. 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 of the Meeting 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 of the Meeting 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 138-140 of the Annual Report 2024 was taken as read.

The Chairman of the Meeting 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 29TH FEBRUARY 2024 AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman of the Meeting stated that the Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 29th February 2024 have been in the shareholders’ hands for the statutory period.

The Chairman of the Meeting 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 of the Meeting 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 of the Meeting then declared that the Audited Financial Statements for the financial year ended 29th February 2024 be and is hereby received.

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

Operational & Financial Matters

1. The Insulation and Related Products segment is experiencing robust growth particularly in Australia and New Zealand. Currently, the Group’s manufacturing plant producing GW products is operating at full capacity. (page 19 of Annual Report (AR) 2024).

a) What was the Group’s total production capacity as of the end of FY2024?

The Company’s response: -

Our total plant capacity as of the end of FY2024 was 25,000 metric tonnes (“mt”).

b) Given that the Group is already operating at full capacity, are there any plans to expand production capacity? If yes, what is the additional capacity and budgeted capex?

The Company’s response: -

We are actively exploring the expansion of facility which may involve the acquisition of land and looking into increasing the annual production capacity by approximately 40,000 mt with a budget of around RM200 million.

c) What is the current outstanding orderbook for this segment? What is the demand outlook in the short and medium term?

The Company’s response: -

The Oceania building sector is in the early stages of recovery, and the recent enforcement of Australia’s revised building code is expected to further stimulate demand. As a result, we anticipate a robust demand outlook for the short to medium term, with an estimated growth of approximately 25% in the region after the enforcement.

2. In FY2024, the Group established three warehousing facilities, with one each in Melbourne, Brisbane and Perth, Australia. To expand its reach in the Australian market, the Group is establishing a new warehouse in Sydney. It will be equipped with 3,300 square meters of warehousing capacity. (page 20 of AR 2024).

a) How much did the Group spend on capex for the three warehousing facilities in Australia? What is the total warehousing capacity and current utilisation rate?

The Company’s response: -

We maintain long-term leases for our warehouses in Melbourne and Brisbane, Australia, incurring total annual rental costs (for premise and equipment) of AUD1.3 million.

Our warehouse in Perth is managed by our joint venture (“JV”) company, Select Insulation Pty Ltd. Based on our 50% ownership in the JV, we contributed AUD250,000 to kickstart its operations.

Our combined warehousing space totals 10,000 square meters (“sqm”), with an average monthly utilisation rate of 90%.

- b) What is the budgeted capex for the new warehouse in Sydney?

The Company's response: -

We acquired a 50% stake in Britestar Australia Pty Ltd for AUD588,043 to manage our Sydney operations.

3. Partnering with Malvest Properties Sdn Bhd (“Malvest”), the Group plans to launch Phase 1 of its township adjacent to Proton City by the end of 2024. Phase 1 boasts an estimated GDV of RM600 million and will comprise 1,808 residential and commercial units. (page 21 of AR 2024).

- a) Please provide more details on the structure of the joint venture with Malvest. Will there be any capital outlay by PGF Capital?

The Company's response: -

PGF Capital's role in the JV is as the land provider for Phase 1 of the development, with Malvest undertaking the entire development process. The land is contributed to the JV at an agreed valuation. The recognition of the land's value in PGF Capital's financial statements will occur upon obtaining the necessary planning approval (or Kebenaran Merancang), from relevant authorities.

Any material developments regarding this JV will be promptly announced to the market via Bursa Malaysia Securities Berhad.

- b) When does the Group expect to fully complete the development of Phase 1?

The Company's response: -

We expect Phase 1 to be completed by January of calendar year 2029.

Corporate Governance Matters

4. The total costs incurred for the internal audit activities for FY2024 amounted to RM35,010. (page 67 of AR 2024).

- a) Given that the fee is rather small (RM2,918 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?

The Company's response: -

The Internal Audit (“IA”) team is engaged on a 2-year contract basis, meaning their compensation is determined by the specific tasks they complete. The Audit Committee (“AC”) will review and approve the Internal Audit Engagement and Plan, ensuring that the IA coverage aligns with the Company's needs and focus on key/critical area which are subjected to higher potential risks.

By carefully reviewing and approving the Internal Audit Engagement and Plan, considering the adequacy of audit coverage, and ensuring the IA team is appropriately staffed and skilled, the AC can ensure an effective audit function even when the fee is relatively small. The AC also review the subsequent action of management to rectify/mitigate the observation/non-compliance identified and ensure all closure to the issued identified.

- b) Can the Audit Committee elaborate further on the scope of the internal audit workplan for FY2024?

The Company's response: -

The IA team evaluates the adequacy and effectiveness of the management-deployed measures, including human resources process policies, succession and contingency planning, training programs, compensation and reward structure, environment, health & safety ("EHS") process policies, waste disposal procedures, environmental issue monitoring and management processes, biological assets policies and procedures, safeguards for biological assets, and biological asset inventory counts.

5. Practice 5.9 of the Malaysian Code of Corporate Governance stipulates that 30% of the Board should comprise women.

PGF Capital's response: Applied. Currently, the Board comprises 2 women Directors out of 6 Directors. The current percentage of women representation is 33%, demonstrating the Group's commitment to gender diversity.

MSWG's comment: What benefits has the Board experienced from gender diversity among its members? How has the Board's performance been impacted in relation to these benefits?

The Company's response: -

The Board of Directors at PGF Capital prioritises merit and competence in selecting its members. We believe that a diverse skill set and experience are crucial for effective board governance. As such, our focus has been on identifying individuals with the necessary qualifications and expertise to contribute meaningfully to the Company's strategic direction.

While we appreciate the importance of gender diversity, our primary focus has been the selection of directors with the necessary skills and experience to contribute effectively to the Company's success. We believe the current composition of our Board reflects this approach.

Sustainability Matters

6. GHG emissions for Scope 1 and 2 declined in FY2024. Meanwhile, unit consumption of energy increased slightly in FY2024. (page 20-21 of AR 2024).

What are the Group's long-term targets and timelines for GHG emissions and energy efficiency?

The Company's response: -

The Group is currently evaluating its operations to establish specific, long-term targets for GHG emissions reduction and energy efficiency. While we do not have concrete targets at this time, we remain committed to continuous improvement in our environmental performance.

Our primary focus is on operational optimisation to minimise our environmental footprint. This includes a strong emphasis on resource efficiency, particularly through the extensive use of recycled glass in our manufacturing process. By utilising this recycled material, we significantly reduce the energy consumption required to produce our final products.

Furthermore, our products themselves contribute to sustainability by providing excellent thermal insulation properties. This helps to reduce energy consumption in buildings, ultimately leading to lower greenhouse gas emissions. Additionally, our products are recyclable, further extending their environmental benefits.

We view our business as a contributor to the circular economy, transforming what could be waste into valuable products that promote energy efficiency and reduce environmental impact.

The Meeting then continued with its proceedings.

RESOLUTION 1

PAYMENT OF FINAL DIVIDEND OF 1.5 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 29TH FEBRUARY 2024

The Meeting was informed that the Board proposed the payment of 1.0 sen per ordinary share in respect of the financial year ended 29th February 2024 and if approved, the entitlement and payment dates shall be on 1 August 2024 and 15 August 2024 respectively.

RESOLUTION 2

RE-ELECTION OF DIRECTOR - MR. FONG WAH KAI

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

RESOLUTION 3

RE-ELECTION OF DIRECTOR – MR. TAN MING CHONG

The Chairman of the Meeting informed the Meeting that in accordance with Article 88 of the Company's Constitution, the Chief Operating Officer, Mr. Tan Ming Chong retired by rotation from the Board at the AGM and being eligible, offers himself for re-election.

RESOLUTION 4

PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 29TH FEBRUARY 2024

The Chairman of the Meeting stated that the Board of Directors are seeking the shareholders' approval for the payment of Directors' Fees of RM36,667 for the financial year ended 29th February 2024.

RESOLUTION 5

PAYMENT OF DIRECTORS' OTHER BENEFITS PAYABLES UP TO AN AMOUNT OF RM21,000 FROM 27TH JULY 2024 TO THE NEXT AGM OF THE COMPANY

The Chairman of the Meeting 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 RM21,000 from 27th July 2024 to the next AGM of the Company.

RESOLUTION 6

RE-APPOINTMENT OF AUDITORS

The Chairman of the Meeting stated that Resolution 6 is to re-appoint Messrs Crowe Malaysia 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 7

AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT

The Chairman of the Meeting 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 of the Meeting 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 Independent Scrutineer.

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

The Meeting was then presented with a video on the progress of the Group's Tanjung Malim's project.

POLLING RESULTS

The Meeting resumed for declaration of results.

The Chairman of the Meeting 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	120,119,403	100.0000	33	-	0.0000	-
2	120,118,403	100.0000	32	-	0.0000	-
3	120,118,403	100.0000	32	-	0.0000	-
4	120,118,403	100.0000	32	-	0.0000	-
5	120,118,403	100.0000	32	-	0.0000	-
6	120,119,403	100.0000	33	-	0.0000	-
7	120,117,403	100.0000	32	-	0.0000	-

The Chairman of the Meeting then declared that all the 7 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 1.5 sen per ordinary share in respect of the financial year ended 29th February 2024 be and is hereby approved.

Resolution 2

THAT Mr. Fong Wah Kai, the Executive Chairman of the Company retiring pursuant to Article 88 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 3

THAT Mr. Tan Ming Chong, the Chief Operating Officer, retiring pursuant to Article 88 of the Company's Constitution, be hereby re-elected as Director of the Company.

Resolution 4

THAT the payment of Directors' Fees of RM36667 for the financial year ended 29th February 2024 be and is hereby approved.

Resolution 5

THAT the payment of Other Benefits Payables up to an amount of RM21,000 from 27th July 2024 until the next AGM of the Company be and are hereby approved.

Resolution 6

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

Resolution 7

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;

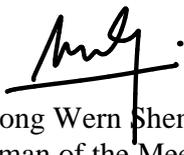
AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate.

CONCLUSION OF MEETING

The Chairman of the Meeting concluded the Meeting and thanked all those who participated in the Company's 34th 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 and signed as a correct record



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