



STEEL FABRICATION  
HOT-DIP GALVANIZING  
LPG CYLINDERS DESIGN, MANUFACTURING,  
RECONDITIONING & REQUALIFICATION  
CIVIL CONSTRUCTION

ISO 45001:2018 CERTIFIED  
ISO 45001:2018 CERTIFIED  
ISO 45001:2018 CERTIFIED

ISO 45001:2018 CERTIFIED  
CIDB & UPK REGISTERED



**KKB  
ENGINEERING BERHAD**

[Reg. No.: 197601000528 (26495-D)]

HEAD OFFICE:  
Lot 865, Section 66, Jalan Kilang,  
Bintawa Industrial Estate,  
93450 Kuching, Sarawak, Malaysia.

P. O. Box 832, 93716 Kuching,  
Sarawak, Malaysia.

TELEPHONE: 6 082-333877(10 lines)  
FACSIMILE: 6 082-331152

E-MAIL: kkb@kkbeb.com.my  
WEBSITE: www.kkbbeb.com.my

**MINUTES OF THE FORTY-EIGHTH (48<sup>TH</sup>) ANNUAL GENERAL MEETING (“AGM”) OF KKB ENGINEERING BERHAD (“KKB” OR “THE COMPANY”) HELD AT ABELL HOTEL, NO. 22, 4<sup>TH</sup> FLOOR, JALAN TUNKU ABDUL RAHMAN, 93100 KUCHING, SARAWAK ON TUESDAY, 21 MAY 2024 AT 10.00 A.M.**

Present: As per attendance lists

		ACTION/ REMARKS
1.	<p><b>INTRODUCTION</b></p> <p>The Chairman, Dato Sri Kho Kak Beng welcomed all those present to the AGM of the Company. Dato Sri Kho took the opportunity to welcome and introduce the new Independent Non-Executive Director, Ir. Hj. Othman Bin Abdul Kadir who was appointed to the Board of Directors (“Board”) of KKB on 1 June 2023.</p> <p>Dato Sri Kho then delegated the conduct of the AGM to the Executive Director, Ms. Kho Poh Lin.</p> <p>On behalf of the Board, Ms. Kho Poh Lin extended a warm welcome to the shareholders and thanked all the valued shareholders for their continued invaluable support.</p> <p>Ms. Kho Poh Lin informed that a shareholder, namely the Minority Shareholder Watch Group (“MSWG”) had raised some points and queries relating to the operational and financial matters as well as sustainability matters of the Company. A written reply has been forwarded to MSWG, a copy of which was given to all the members upon registration. The queries raised by MSWG and responses from KKB are summarised in the Appendix 1, a copy as attached.</p>	



		ACTION/ REMARKS
2.	<p><b>QUORUM</b></p> <p>The Company Secretary, Ms. Voon Jan Moi reported that a quorum as prescribed by Clause 26.3 of the Company's Constitution is present represented by one (1) member present by corporate representative, 18 members present by proxies and 20 members present in person. Ms. Kho Poh Lin, on behalf of the Chairman, declared the AGM duly convened at 10.08 a.m.</p>	Noted
3.	<p><b>NOTICE OF MEETING</b></p> <p>The notice convening the AGM, having been circulated to all members and advertised in "The Star" within the prescribed period in accordance with the Company's Constitution, with the consent of all members present at the AGM, was taken as read.</p>	
4.	<p><b>AUDITED FINANCIAL STATEMENTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023</b></p> <p>The Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon were laid at the AGM. Ms. Kho Poh Lin informed that this agenda item was meant for discussion only and therefore, it will not be put forward for voting. Members present at the AGM were invited to raise questions which they may wish to ask on the said Audited Financial Statements.</p> <p>As there were no questions from the members present, the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of Directors and Auditors thereon were taken as noted and received.</p> <p>At this juncture, Ms. Kho Poh Lin informed members present that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the AGM notice shall be voted by poll.</p> <p>In this connection, Tengis Corporate Services Sdn. Bhd. was appointed as Poll Administrator to conduct the polling procedure while Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to validate the votes cast at the AGM.</p>	
5.	<p><b>FIRST AND FINAL SINGLE TIER DIVIDEND (Resolution 1)</b></p> <p>Ms. Kho Poh Lin informed members present that a first and final single tier dividend of seven (7) sen per ordinary share, in respect of the financial year ended 31 December 2023 was recommended by the Board of Directors for consideration by the members.</p> <p>On the proposal of Mr. Phang Boo Huat and seconded by Mr. Chung Boon Kiat, the motion was put to vote via poll at the end of the discussion of all resolutions.</p>	

		<b>ACTION/ REMARKS</b>
6.	<p><b>PAYMENTS OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (Resolution 2)</b></p> <p>The members present were informed that the Directors' fees of RM440,748.00 for the financial year ending 31 December 2024 were proposed for members' approval. All Directors who are also the shareholders were reminded to abstain from voting.</p> <p>On the proposal of Ms. Kho Poh Joo and seconded by Mr. Chuo Kuong Liong, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
7.	<p><b>PAYMENTS OF MEETING ALLOWANCES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (Resolution 3)</b></p> <p>The members present were informed that the meeting allowances up to RM66,000.00 for the financial year ending 31 December 2024 were recommended for members' approval. All Directors who are also the shareholders were reminded to abstain from voting.</p> <p>On the proposal of Madam Ngu Hie Ding and seconded by Madam Bong Nyuk Moi, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
8.	<p><b>RE-ELECTION OF DIRECTOR (Resolution 4)</b></p> <p>The members noted that Dato Sri Kho Kak Beng is retiring pursuant to Clause 22.2 of the Company's Constitution, and shall be eligible for re-election.</p> <p>On the proposal of Ms. Rosnita Anak Joseph and seconded by Mr. Chuo Kuong Liong, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
9.	<p><b>RE-ELECTION OF DIRECTOR (Resolution 5)</b></p> <p>The members noted that Mr. Kho Pok Tong is also retiring pursuant to Clause 22.2 of the Company's Constitution, and shall be eligible for re-election.</p> <p>On the proposal of Mr. Chuo Kuong Liong and seconded by Madam Ngu Hie Ding, the motion was put to vote by poll at the end of the discussion of all resolutions.</p> <p>As the next item on the agenda involved Ms. Kho Poh Lin, she passed the Chair to the Group Managing Director, Mr. Kho Pok Tong.</p>	

		ACTION/ REMARKS
10.	<p><b>RE-ELECTION OF DIRECTOR (Resolution 6)</b></p> <p>Mr. Kho Pok Tong informed that Ms. Kho Poh Lin is retiring pursuant to Clause 22.2 of the Company's Constitution, and shall be eligible for re-election.</p> <p>On the proposal of Madam Lim Ngo Mooy and seconded by Madam Ngu Hie Ding, the motion was put to vote by poll at the end of the discussion of all resolutions.</p> <p>At this juncture, Mr. Kho Pok Tong passed the Chair back to Ms. Kho Poh Lin.</p>	
11.	<p><b>RE-ELECTION OF DIRECTOR (Resolution 7)</b></p> <p>Ms. Kho Poh Lin informed that Ir. Haji Othman bin Abdul Kadir is retiring pursuant to Clause 22.9 of the Company's Constitution, and shall be eligible for re-election.</p> <p>On the proposal of Mr. Chung Boon Kiat and seconded by Mr. Chuo Kuong Liong, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
12.	<p><b>RE-APPOINTMENT OF AUDITORS (Resolution 8)</b></p> <p>Ms. Kho Poh Lin informed that the retiring auditors, Ernst &amp; Young PLT have expressed their willingness to continue in office until the conclusion of the next annual general meeting at a remuneration to be determined by the Board of Directors.</p> <p>On the proposal of Ms. Diwek Ak Dayus and seconded by Madam Lim Ngo Mooy, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
13.	<p><b>CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (Resolution 9)</b></p> <p>Ms. Kho Poh Lin informed that this ordinary resolution is to comply with Principle A Practice 5.3 of the Malaysian Code on Corporate Governance 2021 to seek shareholders' approval to retain Datin Mary Sa'diah Binti Zainuddin as an Independent Non-Executive Director who has served the Company for more than nine (9) years. The justification to retain Datin Mary Sa'diah Binti Zainuddin is stated in the Notice of AGM dated 18 April 2024.</p> <p>On the proposal of Madam Lim Ngo Mooy and seconded by Madam Bong Nyuk Moi, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	

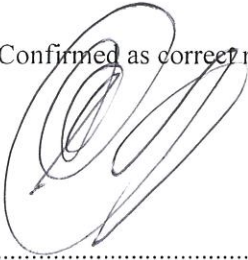
		ACTION/ REMARKS
14.	<p><b>AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016 (Ordinary Resolution 10)</b></p> <p>Ms. Kho Poh Lin informed that the above ordinary resolution is to obtain the shareholders' approval on authority for the Directors to issue and allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016.</p> <p>As clarified in the Explanatory Notes to the AGM notice, the proposed resolution if passed, will give the Directors of the Company, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company.</p> <p>On the proposal of Ms. Chan Choon Sia and seconded by Ms. Diwek Ak Dayus, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
15.	<p><b>PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDER MANDATE") (Resolution 11)</b></p> <p>Ms. Kho Poh Lin briefed the members on the rationale for the Proposed Shareholder Mandate, details as set out in Section 3.2 to 3.4 of the Circular to Shareholders dated 18 April 2024.</p> <p>All interested directors, interested major shareholders and persons connected with them were reminded to abstain from voting.</p> <p>On the proposal of Madam Ngu Hie Ding and seconded by Mr. Chuo Kuong Liong, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>	
16.	<p><b>POLLING PROCEDURES</b></p> <p>As no notice has been received to transact any other business, Ms. Kho Poh Lin put forward all resolutions for voting by poll via the polling slips.</p> <p>The Company Secretary, Ms. Voon Jan Moi then briefed the members present on the polling procedures before members cast their votes.</p>	
17.	<p><b>ADJOURNMENT OF AGM</b></p> <p>Upon completion of the polling process, on the proposal of Ms. Kho Poh Lin and seconded by Ms. Chan Choon Sia, with the consent of the members present at the AGM, the AGM was adjourned at 10.29 a.m. for counting and scrutinising of the votes cast.</p>	

					ACTION/ REMARKS
<b>18.</b>	<b>ANNOUNCEMENT OF POLL RESULTS</b>				
<p>On completion of counting and scrutinising of poll votes, Ms. Kho Poh Lin, on behalf of Dato Sri Chairman, took the Chair and resumed the AGM proceedings.</p> <p>The poll results reported and confirmed by the scrutineer are as follows:</p>					
		Vote For		Vote Against	
		No. of shares	%	No. of shares	%
1.	To approve a First and Final Single Tier Dividend of seven (7) sen per ordinary share in respect of the financial year ended 31 December 2023 as recommended by the Directors.	166,871,460 /	100.00	0	0.00
2.	To approve the payment of Directors' fees amounting to RM440,748 for the financial year ending 31 December 2024 (FYE 2023: RM372,855).	166,807,140 /	100.00	0	0.00
3.	To approve the payment of Directors' meeting allowances up to RM66,000 for the financial year ending 31 December 2024 (FYE 2023: RM70,000).	166,807,140 /	100.00	0	0.00
4.	To re-elect Dato Sri Kho Kak Beng who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	161,783,680 /	100.00	0	0.00
5.	To re-elect Mr. Kho Pok Tong who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	166,026,560 /	100.00	0	0.00

					ACTION/ REMARKS	
<b>18. ANNOUNCEMENT OF POLL RESULTS (CONT.)</b>						
No.	Resolutions	Vote For		Vote Against		
		No. of shares	%	No. of shares	%	
6.	To re-elect Ms. Kho Poh Lin who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	166,241,960	100.00	0	0.00	
7.	To re-elect Ir. Haji Othman bin Abdul Kadir who retires in accordance with Clause 22.9 of the Company's Constitution and being eligible, offers himself for re-election.	166,871,460	100.00	0	0.00	
8.	To re-appoint Ernst & Young PLT as auditors of the Company and to authorize the Directors to fix their remuneration.	166,871,460	100.00	0	0.00	
9.	To retain Datin Mary Sa'diah binti Zainuddin as an Independent Non-Executive Director.	Tier 1				
		119,442,880	100	0	0	
		Tier 2				
		47,428,480	99.9998	100	0.0002	
10.	To empower the Directors to issue shares.	166,871,460	100.00	0	0.00	
11.	To approve the proposed renewal Shareholder Mandate for recurrent related party transactions of a revenue or trading nature.	166,871,460	100.00	0	0.00	
Based on the above results, Ms. Kho Poh Lin declared that all resolutions as set out in the notice of AGM dated 18 April 2024 were duly carried.						

		<b>ACTION/ REMARKS</b>
19.	<b>CONCLUSION</b>  As all businesses have been transacted, Ms. Kho Poh Lin, on behalf of the Chairman and all other Board members thanked all those present for their kind attendance and participation. She then declared the AGM closed at 11.08 a.m. with a vote of thanks accorded to the Chair.	

Confirmed as correct record by,



.....  
**DATO SRI KHO KAK BENG**  
**CHAIRMAN**

Dated : 30 May 2024  
Kuching





STEEL FABRICATION  
HOT-DIP GALVANIZING  
LPG CYLINDERS DESIGN, MANUFACTURING,  
RECONDITIONING & REQUALIFICATION  
CIVIL CONSTRUCTION

ISO 45001:2018 CERTIFIED  
ISO 45001:2018 CERTIFIED  
ISO 45001:2018 CERTIFIED

ISO 45001:2018 CERTIFIED  
CIBD & UPK REGISTERED

APPENDIX 1



**KKB**

**ENGINEERING BERHAD**

[Reg. No.: 197601000528 (26495-D)]

HEAD OFFICE:

Lot 865, Section 66, Jalan Kilang,  
Bintawa Industrial Estate,  
93450 Kuching, Sarawak, Malaysia.

P. O. Box 832, 93716 Kuching,  
Sarawak, Malaysia.

TELEPHONE: 6 082-333877(10 lines)  
FACSIMILE: 6 082-331152

E-MAIL: kkb@kkbeb.com.my  
WEBSITE: www.kkb.com.my

APPROV. NO. 0049886-001, 002, 003, 004, 005

Date: 17 May 2024

**Minority Shareholders Watch Group**  
Level 23, Unit 23-2, Menara AIA Sentral  
No. 30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 03-27320010

*Via Email*

Attn: Dr. Ismet Yusoff

Dear Sir,

**Re: 48<sup>th</sup> Annual General Meeting ("AGM") of KKB Engineering Berhad ("KKB" or "the Company")  
to be held on Tuesday, 21 May 2024**

We refer to your letter dated 13<sup>th</sup> May 2024 pertaining to the abovementioned matter. We append below our reply to the points raised by MSWG:

**OPERATIONAL & FINANCIAL MATTERS**

**Question 1**

The Group reported revenue of RM471.0 million in FY2023, an increase of 21.7% as compared to RM386.8 million recorded in the Financial Year ended 31 December 2022 ("FY2022"). Correspondingly, Group's pre-tax profit rose to RM52.2 million, an increase of 107.9% as compared to RM25.1million achieved in FY2022, driven by the improved performance of both the Engineering and Manufacturing sectors (Page 7 of the Annual Report 2023/AR2023).

(a) What is the outlook of the Group's engineering and manufacturing sectors in FY2024?

**Answer**

**Outlook for both the Group's Engineering and Manufacturing sectors is positive, subject to any unforeseen circumstances.**

(b) The Manufacturing segment returned to profitability in FY2023 (Page 120 of AR2023). Does KKB expect the segment to continue moving towards a profit trajectory? If not, why?

**Answer**

**Yes, with our focus on the developments taking place in East Malaysia, subject to any unforeseen circumstances.**

STEEL FABRICATION Certified • HOT-DIP GALVANIZING Certified •  
LPG CYLINDER Certified • CIVIL CONSTRUCTION Certified •



## Question 2

As of 31 December 2023, the Group's total outstanding order book remained strong, poised to make a positive contribution to the Group's revenue and profit for the financial year ending 31 December 2024 (Page 7 of AR2023).

- (a) What is the latest value of the Group's total outstanding orderbook, and how long is the order book expected to last?

### Answer

**As at end of March 2024, the Group's orderbook is worth approximately RM395 million (inclusive recent wins and those announced to Bursa); the supply or delivery, completions are targeted progressively until the 2H2025.**

- (b) What is the value of order book for the on-going contract for Engineering, Procurement and Construction of Standard Wellhead Platforms for MLNG FaS (F27, F22, Selasih and F23 Brownfeld) together with the Module Fabrication and supply of Steel Structures for the Malaysia Rosmari & Marjoram Onshore Gas Plant project in Bintulu, Sarawak?

### Answer

**As at end of March 2024, the estimated value is worth between 70% to 74% of the group's current orderbook**

- (c) What is the visibility of replenishing the orderbook in view of the uncertainty in global economic outlook, the rise in global inflation and the challenges in the steel fabrication industry? What is the Group's internal target for order book replenishment in FY2024?

### Answer

**The group is optimistic that its orderbook will be replenished. Our minimum target rate of success is between 35% to 45% of our tender bid in 2024.**

**The Group is continuously focusing on replenishing its current order book with new bids where it has competitive advantages.**

## Question 3

Looking ahead to FY2024, the primary objective remains the optimisation of operational costs and efficiencies and to explore viable business opportunities to enhance earnings capabilities and productivity (Page 22 of AR2023).

- (a) Which operational cost component will be primarily involved in the optimisation exercise? What is the targeted cost saving to achieve in FY2024, if any?

### Answer

**Procurement, Supply Chain and Logistics will continue to be our primary focus on cost optimization.**

(b) In the previous year's reply to MSWG's question on exploring viable business opportunities, the Group continued to engage and identify local and/or foreign partners within the area of green renewable energy, considering its potential and future developments.

(i) What is the update on identifying local and/or foreign partners to cooperate within such an area?

**Answer**

Kindly refer to our recent Announcement to Bursa dated 16 February 2024 on the MOU signed between SAMSUNG Engineering Co, Ltd and OceanMight Sdn Bhd. This collaboration since 2022 has now been extended for another 24 months until December 2025. Our core business and focus shall be aligned with the initiatives of Sarawak's Hydrogen Economy Roadmap and in the areas of renewable energy.

(ii) Are there any specific criteria set by the Group in identifying the right partner in this sector? If so, what are those criteria?

**Answer**

**Competent local or foreign partner(s) with sound track record and targeted expertise in the field of Green, Renewable Energy.**

**Question 4**

KKBWCT Joint Venture Sdn Bhd (the Pan Borneo Highway project in Sarawak) reported a pre-tax loss of RM6.4 million in FY2023 against a pre-tax profit of RM3.1 million in FY2022, mainly attributed to compressed margins arising from the escalation of material and labour costs. Margins of contracts secured pre-pandemic was impacted by inflationary pressure including an escalation in labour, construction material and supply chain costs (Page 15 of AR2023). The construction industry will continue to face various challenges including competition, supply chain issues, labour shortage and increased cost of materials (Page 16 of AR2023).

(a) When is the expected completion of Pan Borneo Highway project in Sarawak (Phase 1 Works Package Contract – WPC-09)? With this cost pressure, were there any avenues for the Group to pass on increases in costs?

**Answer**

**Final Completion is now expected by the middle of year 2024.**

**Yes, ongoing efforts to negotiate, secure and recover costs via Variation Of Price mechanisms and Variation Order(s) from the client.**

(b) What efforts are being taken to deal with the increasing raw materials and labor costs? In bidding for new projects in the construction industry, how does the management factor in the potential increase in costs?

**Answer**

**In bidding for new projects, management may be guided by a Building Materials Cost Index, the possibility of mid-term review, a close scrutiny and timing of all procurements (non – exhaustive) amongst others.**

## SUSTAINABILITY MATTERS

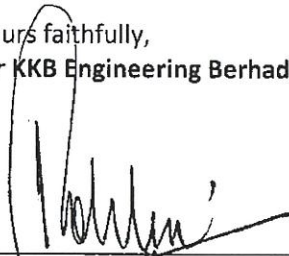
### Question 5

Whilst it is commendable that the Group has a comprehensive Sustainability Statement disclosing data/information on the outcomes/results relating to sustainability matters such as dust particulate emission, total energy consumption, diesel usage, water usage etc., there is no disclosure of headline KPIs alongside targets which can enable meaningful comparisons with outcomes/results. Would the board consider providing a list of the key targets and the appropriate performance indicators in each sustainability matter to help shareholders understand the progress made over the years?

### Answer

**KKB Group has started to embark on the Sustainability journey with gradual implementation on ESG reporting. In our Sustainability Statement, we are dedicated to disclose data/information pertaining to the material sustainability matters and their respective indicators for at least 3 financial years to enable our fellow shareholders to monitor, and to make comparisons on our progress towards a sustainable future. While we apprehend the importance and usefulness of targets/KPIs setting, we remain cautious on setting sustainability targets/KPIs. The board will consider setting and providing KPIs based on practicality and suitability of each sustainability matter taking into consideration its industry and business operations and after careful evaluation on relevancy, criticality and priority of which can only be implemented progressively.**

Yours faithfully,  
for KKB Engineering Berhad



**KHO POH LIN**  
Executive Director