

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

ISO 45001:2018 CERTIFIED
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**KKB
ENGINEERING BERHAD**

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

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**MINUTES OF THE FORTY-NINTH (49TH) ANNUAL GENERAL MEETING ("AGM") OF
KKB ENGINEERING BERHAD ("KKB" OR "THE COMPANY") HELD AT GRAND
MARGHERITA HOTEL, JALAN TUNKU ABDUL RAHMAN, 93100 KUCHING,
SARAWAK ON THURSDAY, 22 MAY 2025 AT 10.00 A.M.**

Present: As per attendance lists

1. INTRODUCTION

The Chairman, Dato Sri Kho Kak Beng welcomed all those present to the AGM of the Company. Dato Sri Kho then delegated the conduct of the AGM to the Executive Director, Ms. Kho Poh Lin.

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.

Ms. Kho Poh Lin took the opportunity to welcome and introduce the new Independent Director, Madam Norliza binti Mohamad Nawi who was appointed to the Board of Directors ("Board") of KKB on 1 September 2024.

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, sustainability matters as well as corporate governance 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.

2.	<p>QUORUM</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, 19 members present by proxies and 15 members present in person. Ms. Kho Poh Lin, on behalf of the Chairman, declared the AGM duly convened at 10.06 a.m.</p>
3.	<p>NOTICE OF MEETING</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>AUDITED FINANCIAL STATEMENTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024</p> <p>The Audited Financial Statements for the financial year ended 31 December 2024 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>The corporate representative from MSWG, Mr. Lee Chee Meng, raised question and the response from KKB are outlined in the Appendix 2, a copy of which is annexed to these minutes.</p> <p>As there were no further questions from the members present, the Audited Financial Statements for the financial year ended 31 December 2024 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>FIRST AND FINAL SINGLE TIER DIVIDEND (Resolution 1)</p> <p>Ms. Kho Poh Lin informed members present that a first and final single tier dividend of 7.5 sen per ordinary share, in respect of the financial year ended 31 December 2024 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 Madam Tok Choon Lan, the motion was put to vote via poll at the end of the discussion of all resolutions.</p>
6.	<p>PAYMENTS OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 (Resolution 2)</p> <p>The members present were informed that the Directors' fees of RM440,748.00 for the financial year ending 31 December 2025 were proposed for members' approval. All Directors who are also the shareholders were reminded to abstain from voting.</p> <p>On the proposal of Madam Lim Ngo Mooy and seconded by Mr. Tang Khang Seng, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>

7.	<p>PAYMENTS OF MEETING ALLOWANCES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 (Resolution 3)</p> <p>The members present were informed that the meeting allowances up to RM66,000.00 for the financial year ending 31 December 2025 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 Lim Ngo Mooy 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>
8.	<p>RE-ELECTION OF DIRECTOR (Resolution 4)</p> <p>The members noted that Dr. Arjunan Subramaniam is retiring pursuant to Clause 22.2 of the Company's Constitution, and shall be eligible for re-election.</p> <p>However, via a letter dated 28 April 2025, Dr. Arjunan Subramaniam has notified the Company that he does not wish to seek for re-election at the AGM. As such, Dr. Arjunan Subramaniam retired as the Director of the Company after the conclusion of the AGM.</p> <p>Ms. Kho Poh Lin put on record their gratitude and appreciation to Dr. Arjunan Subramaniam for his many years of contribution and guidance towards the success of the Company.</p>
9.	<p>RE-ELECTION OF DIRECTOR (Resolution 5)</p> <p>The members noted that Mr. Chai Woon Chew 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 Tok Choon Lan, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>
10.	<p>RE-ELECTION OF DIRECTOR (Resolution 6)</p> <p>The members noted that Mr. Yong Voon Kar 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 Mr. Chuo Kuong Liong and seconded by Madam Tok Choon Lan, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>
11.	<p>RE-ELECTION OF DIRECTOR (Resolution 7)</p> <p>Ms. Kho Poh Lin informed that Madam Norliza binti Mohamad Nawi 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. Phang Boo Huat 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>
12.	<p>RE-APPOINTMENT OF AUDITORS (Resolution 8)</p> <p>Ms. Kho Poh Lin informed that the retiring auditors, Ernst & 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 Mr. Chuo Kuong Liong 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>AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016 (Resolution 9)</p> <p>Ms. Kho Poh Lin informed that the above 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 Madam Tok Choon Lan, the motion was put to vote by poll at the end of the discussion of all resolutions.</p>																
14.	<p>PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDER MANDATE") (Resolution 10)</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 22 April 2025.</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 Tok Choon Lan 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>																
15.	<p>POLLING PROCEDURES</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>																
16.	<p>ADJOURNMENT OF AGM</p> <p>Upon completion of the polling process, on the proposal of Ms. Kho Poh Lin and seconded by Ms. Kho Poh Joo, with the consent of the members present at the AGM, the AGM was adjourned at 10.32 a.m. to facilitate the counting of the votes.</p>																
17.	<p>ANNOUNCEMENT OF POLL RESULTS</p> <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> <table><tr><th rowspan="2">No.</th><th rowspan="2">Resolutions</th><th colspan="2">Vote For</th><th colspan="2">Vote Against</th></tr><tr><th>No. of shares</th><th>%</th><th>No. of shares</th><th>%</th></tr><tr><td>1.</td><td>To approve a First and Final Single Tier Dividend of 7.5 sen per ordinary share in respect of the financial year ended 31 December 2024 as recommended by the Directors.</td><td>227,887,130</td><td>100.00</td><td>0</td><td>0.00</td></tr></table>	No.	Resolutions	Vote For		Vote Against		No. of shares	%	No. of shares	%	1.	To approve a First and Final Single Tier Dividend of 7.5 sen per ordinary share in respect of the financial year ended 31 December 2024 as recommended by the Directors.	227,887,130	100.00	0	0.00
No.	Resolutions			Vote For		Vote Against											
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17. ANNOUNCEMENT OF POLL RESULTS (CONT.)

No.	Resolutions	Vote For		Vote Against	
		No. of shares	%	No. of shares	%
2.	To approve the payment of Directors' fees amounting to RM440,748 for the financial year ending 31 December 2025 (FYE 2024: RM440,748).	227,822,810	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 2025 (FYE 2024: RM66,000).	227,822,810	100.00	0	0.00
4.	To re-elect Dr. Arjunan Subramaniam who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	-WITHDRAWN-			
5.	To re-elect Mr. Chai Woon Chew who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	213,422,810	100.00	0	0.00
6.	To re-elect Mr. Yong Voon Kar who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election.	218,642,160	95.94	9,244,970	4.06
7.	To re-elect Madam Norliza binti Mohamad Nawai who retires in accordance with Clause 22.9 of the Company's Constitution and being eligible, offers herself for re-election.	227,887,130	100	0	0.00
8.	To re-appoint Ernst & Young PLT as auditors of the Company and to authorize the Directors to fix their remuneration.	227,887,130	100.00	0	0.00
9.	To empower the Directors to issue shares.	227,887,130	100.00	0	0.00
10.	To approve the proposed renewal Shareholder Mandate for recurrent related party transactions of a revenue or trading nature.	145,272,090	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 22 April 2025 were duly carried except for Resolution No. 4 which has been withdrawn.

18.	CONCLUSION 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. She then declared the AGM closed at 11.06 a.m. with a vote of thanks accorded to the Chair.
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Confirmed as correct record by,

(Signed)

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DATO SRI KHO KAK BENG
CHAIRMAN

Dated : 19 June 2025
Kuching



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APPROV. NO. 0049866-001, 002, 003, 004, 005



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Date: 20 May 2025

Minority Shareholders Watch Group
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-27320010
Email: mswatch@mswg.org.com

Via Email

Attn: Ms Rita Foo

Dear Miss,

RE: 49th ANNUAL GENERAL MEETING ("AGM") OF KKB ENGINEERING BERHAD ("THE COMPANY") TO BE HELD ON THURSDAY, 22 MAY 2025

We refer to your letter dated 16th May 2025 pertaining to the abovementioned matter. We append below our reply to the points raised by MSWG:

OPERATIONAL & FINANCIAL MATTERS

Question 1

The Steel Pipes manufacturing division registered RM13.3 million revenue in FY 2024, as compared to RM17.0 million in FY 2023 and LP Gas Cylinders manufacturing division recorded RM4.6 million revenue in FY 2024 as against RM 9.0 million in FY2023. (Page 7 of Annual Report (AR) 2024).

- a) Please explain the reasons for the lower revenue from the Steel Pipes manufacturing and LP Gas Cylinders manufacturing divisions respectively in FY 2024.

Answer

Lower revenue for the LP Gas ("LPG") Cylinders manufacturing division due to lower offtake of new LPG cylinders by Petroleum Companies.

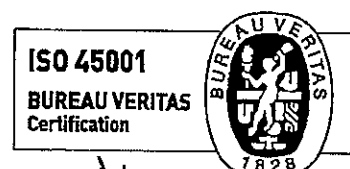
The Group's Steel Pipes manufacturing division recorded a lower revenue due to fulfillment of orders for the export of Mild Steel Pipes to Brunei. The supply order secured in December 2024 from Gamuda Berhad for the Supply of MSCL Pipes and Specials in Sabah is expected to contribute to the Group's performance in FY2025.

- b) What were the gross profits recorded for the Steel Pipes and LP Gas Cylinders manufacturing divisions in both FYs 2023 and 2024 respectively?

In line with lower revenue, the steel Pipes and LPG cylinders manufacturing divisions contributed less than 10% to the group's overall gross profit in FY2023 and FY2024 respectively.

- c) What is the outlook of the Steel Pipes and LP Gas Cylinders manufacturing divisions in FY 2025?

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Answer

Barring any unforeseen circumstances, outlook for the Steel Pipes manufacturing division is positive with our focus on the developments taking place in Sarawak and Sabah, whilst outlook for the LPG cylinders manufacturing division is projected to improve supported by the supply order of new LPG cylinders to Petrosniaga Sdn Bhd.

- d) What measures has the Group taken to improve the revenues from the Steel Pipes and LP Gas Cylinders manufacturing divisions in FY 2025?

Answer

The Group is continuously and actively pursuing various engineering projects, particularly projects related to the supply, laying and commissioning of water pipes and other related infrastructure works to replenish its order books.

Question 2

The Group had written off obsolete inventories amounting RM1.17 million in FY 2024 in respect of raw materials as compared to RM Nil in FY 2023. (Page 19 & 113 of AR2024).

- a) Please provide the nature and purpose of raw materials that were written off in FY 2024.

Answer

Raw materials used for the coating of Steel Pipes.

- b) Why did the Group have to purchase huge amounts of raw materials that have to be written off eventually?

Answer

In order to take advantage of better pricing and volume discount. The raw materials were purchased in bulk to cater for the production of Polyurethane Mild Steel Pipes.

- c) The Group has written down raw materials of an amount of RM0.932 million in FY 2024. Are the raw materials written down are the same as the raw materials that were written off or otherwise? Please explain. Will the raw materials that have been written down have to be written off eventually? Please explain.

Answer

The raw materials written off under 2(a) above were not the same with the written down raw materials. The written off raw materials were not in good condition and not usable for future projects or capable of being repurposed.

In accordance with MFRS 102 Inventories, management has assessed the inventories written down to net realizable value. The written down inventories were mostly steel raw materials which are usable for future projects.

- d) What measures has the Group taken to ensure such huge amounts of write-off of obsolete inventories will not recur?.

Answer

This matter is addressed by the Risk and Sustainability Committee as part of the group's risk and mitigation plan.

Question 3

The Group's goodwill amounting to RM1.63 million was solely contributed by KKB's investment in its subsidiary i.e OceanMight Sdn Bhd, ("OMSB") that was fully impaired in FY 2024. (Page 19 of AR2024)

OMSB, a 60.81% subsidiary of the Group is in the general trading, construction and maintenance services, steel structural fabrication, provision of structural assemblies and engineering services solely for the oil and gas industry.

OMSB reported a much higher profit before tax of RM52.9 million in FY 2024 as compared to RM33.1 million in FY 2023. (Page 152 of AR2024)

- a) Why did the Group decide to write off the goodwill arising from the acquisition of OMSB even though OMSB has been profitable for the past two financial years?
- b) Does the Board anticipate that OMSB's operating performance will deteriorate in FY 2025 that prompted the goodwill been written off? Please explain.
- c) What was the original amount of goodwill prior it been written off?

Answer

As required under MFRS 136 Impairment of Assets, management has performed the annual impairment assessment on its goodwill by determining the recoverable amount which reflects OMSB's expected future cash flows on its ongoing projects which is used to compare to the carrying amount of the cash-generating unit. (MFRS 136, paragraph 8 states that an asset is impaired when its carrying amount exceeds its recoverable amount).

Considering the anticipated future cash flows from OMSB's on-going projects, with most projects nearing completion and no confirmed new projects as at the financial year ended 31 December 2024, the projected future cash flows are projected to be insufficient to recover the carrying amount of goodwill. As a result, management have recognized the full impairment of its goodwill amounting to RM1,632,667.02 taking into consideration the uncertainties in the global economic outlook and the prevailing competitive and challenging business environment.

SUSTAINABILITY MATTERS

Question 4

The Group is exploring the use of renewable energy such as solar energy and wind energy, whenever possible as a transition to a lower carbon economy. (Page 45 of AR2024)

- a) How extensive has the Group explored the use of solar energy and wind energy in its operation?.

Answer

The group has presently harnessed solar and wind energy for lighting purpose. The group remains open to the further use of the renewal energy in our operations, depending on the feasibility of the same.

- b) What is the percentage of the Group's roof tops buildings have been installed with solar panels as of FY 2024?

Answer

The group has not installed any solar panels as of FY2024. However, the group will explore into new areas of harnessing energy.

CORPORATE GOVERNANCE MATTERS

Question 5

The company stated in its Corporate Governance report for FY2024 that it has applied Practice 13.6 as it requires the Company to circulate the minutes of its 48th AGM to shareholders no later than 30 business days after the general meeting.

The Company mentioned that its minutes and key matters discussed at the 48th AGM have been announced to Bursa and published on the Company's website no later than 30 business days after the general meeting for shareholders to access. (Page 76 of Corporate Governance Report)

A detailed checking on the Bursa's as well as the company's websites on 14 May 2025 could not locate the Company's minutes as well as the key matters discussed at the 48th AGM. Please explain why.

Answer

The 48th AGM Minutes and Key Matters discussed at the 48th AGM were published on the Company's website on 12 June 2024. However, the contents of the said Minutes and Key Matters discussed at the 48th AGM were overridden after uploading the "49th AGM Minutes", Annual Report, Circular to Shareholders, Form of Proxy and Notification to Shareholders on 22 April 2025. Therefore, the contents of "49th AGM Minutes" as well as the Key Matters will be updated after the 49th AGM. Kindly refer to Appendix A as attached.

The Company acknowledged that its Minutes and the Key Matters discussed at the 48th AGM were not announced to Bursa except the Outcome of the 48th AGM was announced to Bursa on 21 May 2024.

Yours faithfully,
for KKB Engineering Berhad



VOON JAN MOI
Company Secretary

APPENDIX 2

	Question by MSWG	Response from KKB
1.	<p>What are the mitigation factors/plans has the Risk and Sustainability Committee taken/addressed to ensure huge amounts of write-off of obsolete inventories will not recur?</p>	<p>The raw material concerned the importation and production of its Mild Steel Polyurethane Lined ("MSPUL") Pipes and is used in the protective lining of the inside of steel pipeline for water supply.</p> <p>Note that the imported PU was of a high grade and with a long lead time for delivery and has a certain shelf life per specifications.</p> <p>It was procured in bulk to meet planned production with urgent completion period for State Government project in Sarawak years ago.</p> <p>Due to long lead time for ordering and delivery, Management negotiated its supply on a quarterly to half yearly plan as an essential raw material, supplied from Europe and it usually took four (4) months or more to secure delivery.</p> <p>Note that the change in quantity ordered and being used came about as a result of design changes as per instruction of the Water Authority in terms of the reduced distance or quantity of MSPUL pipes originally approved in their design and our orders.</p> <p>It was not a case of overbuying or "overstock" of essential material ordered.</p> <p>Due to the high grade of the PU material, it has a specified shelf life of between 6 to 12 months and thereafter is subject to approval of an independent 3rd party for use.</p> <p>With this high grade PU imported material with a long lead time and specified shelf life, it was deemed necessary to write – off not to be used and it was not due to any fault of 'over ordering' for production use.</p> <p>In any case, the Risk and Sustainability Committee shall continue to review and address periodic Quarterly Production and Procurement plans and that its needs on stock holding are to be checked and balanced by higher management.</p>