

APB RESOURCES BERHAD
Company No. 200101029080 (564838 V)
Incorporated in Malaysia

Minutes of the Twenty-First Annual General Meeting of APB Resources Berhad (the "Company") conducted virtual via <https://www.dvote.my> from the Broadcast Venue at Lot 9-11, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur on Tuesday, 28 February 2023 at 2.30 p.m.

PRESENT AT BROADCAST VENUE

Board of Directors

Mr. Tan Teng Khuan - Chairman

Mr. Yap Swee Sang

Member of Senior Management:

Ms. Yap Wan Ting - Group Finance Manager

Company Secretary:

Mr. Cheok Kim Chee

PARTICIPATED VIA VIDEO CONFERENCING

Directors

Mr. Yap Kow @ Yap Kim Fah

Mr. Lim Hong Liang

Ms. Lim Kwee Yong

Mr. Chua Chia Cheng @ Chua Chia Kwee

Independent Auditors:

Mr. Ng Boon Hiang – Baker Tilly Monteiro Heng PLT

Ms. Ng Cheng Man – Baker Tilly Monteiro Heng PLT

Ms. Agnes Yap Pei Leng – Baker Tilly Monteiro Heng PLT

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1 CHAIRMAN'S OPENING REMARKS

The Chairman, on behalf of the Board, welcomed the shareholders and proxies who had logged-in online to participate in the Company's Twenty-First Annual General Meeting ("AGM").

The Chairman introduced the following Members of the Board who participated in the AGM remotely:

Mr. Yap Kow @ Yap Kim Fah
Mr. Lim Hong Liang
Ms. Lim Kwee Yong
Mr. Chua Chia Cheng @ Chua Chia Kwee

He further introduced the representative from the Independent Auditors, Baker Tilly Monteiro Heng PLT, Mr. Ng Boon Hiang.

2 QUORUM

Article 71 of the Company's Constitution prescribed that the quorum shall be members personally present or represented by proxy or attorney or authorized representative not being less than two (2).

The Chairman informed the meeting that there were 50 shareholders and proxies registered for this meeting of which 42 had login at the commencement of this Meeting.

The Company Secretary had confirmed that a requisite quorum is present at the commencement of this meeting. The Chairman declared the meeting duly convened and called the meeting to order.

3 NOTICE OF MEETING

The notice convening the meeting was tabled and, with the permission of the meeting, was taken as read.

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4 GENERAL INSTRUCTIONS ON MEETING PROCEDURES

The Chairman briefed the shareholders as follows:

- (a) The attendance of this Meeting is restricted to shareholders, proxies and authorized representatives of corporate shareholders who have registered to participate in the meeting online. Only a depositor whose name appears on the Record of Depositors as at 17 February 2023 shall be entitled to attend and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- (b) Any visual or audio recording of this meeting is strictly prohibited unless prior written consent is obtained. No consent had been given by the Board.
- (c) All the resolutions set out in the notice of this AGM would be voted by poll. Each share would represent one (1) vote in the polling which would be carried out by way of electronic voting.
- (d) The shareholders registered for this meeting had the rights to ask questions and vote.
- (e) The shareholders can vote and submit any time from the commencement of this meeting till the end of voting session.
- (f) The shareholders may start transmitting thier questions in the query box any time from now onwards.
- (g) The Chairman and the directors will address the questions received from the shareholders and proxies, which were submitted prior to this meeting, and those received via the online query box today during the Questions and Answer Session of this meeting.
- (h) Two (2) shareholders had offered themselves to be the Proposer and Seconder for the proposed resolutions on the Agenda. Therefore, all resolutions tabled at this Meeting had been duly proposed and seconded.
- (i) The Company had appointed Dvote Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") using the RPV facilities and TMF Administrative Services (Malaysia) Sdn. Bhd. as Independent Scrutineers to validate the poll results.

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- (j) In his capacity as the Chairman of the Meeting, he had received proxies from members whom he would vote for as indicated in the proxy forms. Where a proxy vote had been given to the Chairman without any voting instructions, the Chairman expressed his intention to vote in favour of the resolutions set out in the Notice of AGM.

The Chairman invited the representative from Poll Administrator to brief the shareholders and proxies on the voting procedures through the remote participation and voting application.

The representative of Poll Administrator briefed the shareholders and proxies on the voting procedures.

ORDINARY BUSINESS

5 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 AND REPORTS OF THE DIRECTORS AND AUDITORS

Agenda 1

The Company's Audited Financial Statements for the financial year ended 30 September 2022 and the Reports of the Directors and Auditors were laid before the Company at this Meeting pursuant to Section 340(1)(a) of the Companies Act, 2016 (the "Act"). The Chairman explained that the Company's Audited Financial Statements for the financial year ended 30 September 2022 were for discussion only as they did not require shareholders' approval. Hence, it would not be put for voting.

The Audited Financial Statements had been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

The Independent Auditors' Report to the Members of the Company is on Pages 103 to 106 of the Annual Report 2022. The Independent Auditors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and their cash flow for the financial year then ended.

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The Independent Auditors' Report to the Members of the Company was tabled, and be taken as read.

The Chairman proceeded to the next agenda item.

6 PROPOSED DIRECTORS' FEES

Ordinary Resolution 1

The Ordinary Resolution 1 was to approve the proposed Directors' fees for the year ended 30 September 2022.

Pursuant to Section 230(1) of the Companies Act 2016, the fees to Directors shall be approved at general meeting. The Chairman explained that an amount of RM180,000.00 was proposed for payment of Directors' fees for the financial year ended 30 September 2022.

7 DIRECTORATE

Ordinary Resolutions 2, 3 and 4

The Chairman informed the Meeting that Ordinary Resolutions 2, 3 and 4 were in relation to the re-election of Directors of the Company who were retiring at this AGM.

RE-ELECTION OF MR. TAN TENG KHUAN

Ordinary Resolution 2

The Chairman informed the Meeting that Mr. Tan Teng Khuan would be retiring by rotation pursuant to Article 119 of the Company's Constitution, and being eligible, had offered himself for re-election. The profile of Mr. Tan Teng Khuan was set out on page 7 of the Company's Annual Report 2022.

RE-ELECTION OF MR CHUA CHIA CHENG @ CHUA CHIA KWEE

Ordinary Resolution 3

The Chairman informed the Meeting that Mr. Chua Chia Cheng @ Chua Chia Kwee would be retiring by rotation pursuant to Article 119 of the Company's Constitution, and being eligible, had offered himself for re-election. The profile of Mr. Chua Chia Cheng @ Chua Chia Kwee was set out on page 8 of the Company's Annual Report 2022.

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RE-ELECTION OF MR. YAP SWEE SANG

Ordinary Resolution 4

The Chairman informed the Meeting that Mr. Yap Swee Sang would be retiring pursuant to Article 123 of the Company's Constitution, and being eligible, had offered himself for re-election. The profile of Mr. Yap Swee Sang was set out on page 6 of the Company's Annual Report 2022.

8 RE-POINTMENT OF AUDITORS

Ordinary Resolution 5

The Chairman informed the Meeting that the Ordinary Resolution 5 was to re-appoint Messrs Baker Tilly Monteiro Heng PLT, who has given its consent, to act as Auditors of the Company.

SPECIAL BUSINESS

9 PROPOSED RENEWABLE OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 6

The Chairman informed the Meeting that the Proposed Ordinary Resolution 6 was to renew the mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.

The Proposed Related Party Transactions are of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("APB Group") and are on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 27 January 2023.

The Chairman further informed the Meeting that Mr. Yap Kow @ Yap Kim Fah, Datuk Yap Kau @ Yap Yeow Ho and Mr. Yap Swee Sang and persons connected with them have declared their interest in the Proposed Renewable of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and thus, will abstain from deliberating and voting on the Proposed Resolution.

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Proposed Ordinary Resolution

“THAT the Company and /or its subsidiaries (the “Group”) be hereby authorized to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.4 of the Circular to Shareholders dated 27 January 2023, provided that such arrangements and/or transactions which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business of the Group on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors of the Company and its subsidiaries be hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders’ Mandate.”

10 PROPOSED RENEWAL OF AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES

Ordinary Resolution 7

The Chairman informed the Meeting that the Proposed Ordinary Resolution 7 was to renew the mandate for the Company to purchase its own shares.

The details of the proposal are set out in the Circular to Shareholders dated 27 January 2023.

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Proposed Ordinary Resolution

“THAT subject to the Companies Act 2016, the Company’s Constitution, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (the “Bursa”) or any other regulatory authorities and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Directors be and is hereby authorized to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company (the “Company’s Shares”) which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Company’s Shares shall not exceed the Company’s total audited retained profits at the time of the said purchase(s).
- (c) the authority conferred by this resolution of the Company shall commence immediately upon passing of this resolution until:
 - (i) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier; and

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AND THAT upon completion of the purchase(s) of the Company's Shares by the Company, the Directors of the Company be and are hereby authorized to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel the Company's Shares so purchased and/or
- (ii) retain the Company's Shares so purchased as treasury shares for distribution as dividend to the shareholders or resell on the market of Bursa and/or
- (iii) retain part of the Company's Shares so purchased as treasury shares and cancel the remainder and/or
- (iv) in any other manner as prescribed by the Companies Act 2016, the Bursa Main Market Listing Requirements and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorized and empowered to do all acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to implement, finalize or to effect the purchase(s) of the Company's Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities."

11 ANY OTHER BUSINESS

The Chairman informed the Meeting that the final item in the Agenda was for the transaction of any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution and he further informed the Meeting that no notice had been received from the shareholders to transact any other business at the Meeting.

12 QUESTIONS AND ANSWERS

The Company had received the following questions from Minority Shareholders Watch Group.

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Questions raised by Minority Shareholders Watch Group

Question 1

APB group recorded improved financial performance in FY2022 with a 37% increase in revenue to RM78.02 million from RM56.87 million in the year before, mainly due to higher project revenue amid a slight improvement in the operating environment. As a result of the higher revenue and recovery for impairment losses on trade receivables, the Group registered profit after taxation of RM8.6 million against loss after taxation of RM5.3 million for FY2021 (Page 10 & 11 of Annual Report (AR) 2022).

- (a) At last year's AGM, the Board replied to MSWG's question that the bulk of the Group's current order book will be completed in FY2022. What is the value of the remaining order book to be delivered by the Group? How long would these works sustain APB's operation?

Response

The remaining order book will be completed this financial year.

- (b) What are the new projects and order book value secured to-date?

Response

Based on the order book on hand and projects the Group are tendering currently, we are confident of achieving at least last year revenue level.

- (c) What is the visibility of replenishing the order book in view of the ongoing conflicts in Ukraine, the rapid rise in global inflation and the challenges in the process equipment industry? What is the Group's internal target for order book replenishment in FY2023?

Response

Please refer to answer for 1(b).

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Question 2

It was stated in the Company's 4th quarterly results for the financial period ended 30 September 2022 that the group expects FY2023 to remain very challenging due to no indication of pickup of capital spending in the fabrication sector despite higher commodity prices, coupled with the sector's overcapacity situation.

Given the above outlook, has the Board evaluated the sustainability of the Group's core business in fabrication of process equipment?

Response

We stated in the Annual Report 2022 (Statement on Management Discussion and Analysis) that the outlook is improving with signs that capital spending in the fabrication sector has started to pick up.

Yes, the Board view that the Group's core business in fabrication of process equipment is sustainable.

Question 3

There is an impairment loss on contract assets of RM5.278 million for FY2022 (FY2021: Nil) (Page 47 of AR 2022).

What is the nature of this impairment and what made this impairment necessary? Is any portion of the impairment recoverable?

Response

The client was an established EPCC or turnkey contractor based in Germany. Largely as the result of the Ukraine conflict and the energy crises, the Company went into receivership.

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Question 4

APB has departed from applying Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG), which encourages a board to comprise at least 30% women directors. As of FY2022, the Board has five male and one female director, representing 16.7% female representation at the Board level.

In page 27 of the Corporate Governance Report 2022, the Company states that the Nomination Committee and the Board will take the necessary efforts to achieve 30% woman on Board.

Does the Company plan to appoint more women directors to the Board to the extent of applying Practice 5.9 of MCCG? If so, by when?

Response

Yes, the Board has every intention to comply with Practice 5.9, it has been continuing its effort to look for suitable qualified woman to the Board.

Question 5

APB has departed from applying Practice 7.1 of the MCCG which states that the board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required (page 30 of Corporate Governance Report 2022).

The Group has no written policies and procedures to determine the remuneration of directors and senior management, but the Group does have an unwritten remuneration policies and procedures which have been in practice for many years. The Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole.

Why did the Company not formalize a written remuneration policy and procedure to strengthen the formality and transparency of the remuneration structure of directors and senior management?

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Response

The existing unwritten remuneration policies and procedures have been working well for the past many years. Any increase in their remuneration and terms of employment are submitted to the Remuneration Committee which comprises Non-Executive Directors and mainly Independent Directors for review and subsequently recommend to the Board for approval. The Chairman of the Committee is an Independent Director. The Interested Director shall abstain from deliberating and voting on his or her remuneration. The detailed remuneration of Directors is disclosed on a named basis in the Annual Report.

However, the Remuneration Committee will look into this matter and recommend to the Board whether written remuneration policies and procedures are required.

Question 6

In the Sustainability Statement (page 13 to 14 of AR 2022), the Company did not disclose the material sustainability matters covering the 3 main pillars - economic, environmental, and social, and the prioritisation of these sustainability matters.

Does the Company plan to disclose such information in the future? If so, what is the target date?

Response

The Company has recently established a Sustainability Committee and will disclose such information in the next Annual Report.

Question raised by the Shareholders at the AGM

Question from Lee Suan Bee

How much the Company spend on this virtual AGM?

Response

The Poll Administrator, Dvote Services Sdn. Bhd. has requested the Company not to disclose the information.

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Question from Teh Peng Tin

May I know when the Company is going back to physical meeting?

Response

In order to safeguard the health and wellbeing of the shareholders, the Company has no plan to go back to physical meeting in the near future.

Question from Lee Zhen Hao

When Board of Directors declares dividend since the business is improving?

Response

The Company had on 15 Septemehr 2022 paid an interim dividend of 10 sen per share.

13 POLLING THROUGH REMOTE PARTICIPATION AND VOTING

All resolutions as set out in the Notice of Twenty-First Annual General Meeting were tabled and discussed. The Chairman reminded the shareholders to cast their votes as the voting session would end in 5 minutes.

After 5 minutes, the Chairman then announced that the voting session for the Twenty-First Annual General Meeting had concluded.

14 ADJOURNEMENT OF THE ANNUAL GENERAL MEETING

The Chairman informed the Meeting that the Poll Administrator would be compiled and be handed over the poll results to the Independent Scrutineers for validation.

He then declared that the Twenty-First Annual General Meeting be adjourned for 15 minutes to facilitate the completion of the verification of votes and would resume upon the completion of the verification for the declaration of the results of the poll.

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With the consent of the shareholders and proxy holders present, the Annual General Meeting was adjourned.

15 ANNOUNCEMENT OF THE POLL RESULTS OF THE ANNUAL GENERAL MEETING

The Company Secretary confirmed that there was sufficient quorum to re-convene the Meeting.

The Chairman called the Adjourned Twenty-First Annual General Meeting to order for announcements of poll results.

DECLARATION POLL RESULTS

Resolution	Voted	No. of shareholders	No. of shares	%	Total Votes	Results
1	For	38	59,092,112	99.996524	59,094,166	Carried
	Against	11	2,054	0.003476		
2	For	41	58,461,967	98.930293	59,094,101	Carried
	Against	8	632,134	1.060707		
3	For	44	59,094,062	99.999773	59,094,196	Carried
	Against	6	134	0.000227		
4	For	42	7,195,353	99.998138	7,195,487	Carried
	Against	6	134	0.001862		
5	For	44	59,094,062	99.999773	59,094,196	Carried
	Against	6	134	0.000227		
6	For	41	7,195,323	99.99771	7,195,487	Carried
	Against	7	164	0.002279		
7	For	44	59,093,462	99.998758	59,094,196	Carried
	Against	6	734	0.001242		

The Chairman declared that based on the poll results, all the 7 Ordinary Resolutions as set out in the Notice of Twenty-First Annual General Meeting were duly passed.

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16 MEETING CLOSED

The Chairman thanked all participants at the Twenty-First Annual General Meeting.

There being no other business to be transacted, the Meeting ended with a vote of thanks to the Chair.

Confirmed as true and correct record of the proceedings thereat


TAN TENG KHUAN
Chairman