

MALAKOFF CORPORATION BERHAD
(Company No. 731568-V)

MINUTES OF TENTH ANNUAL GENERAL MEETING (“10TH AGM”) OF MALAKOFF CORPORATION BERHAD (“MCB”) HELD AT THE MAHKOTA II, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR ON THURSDAY, 21 APRIL 2016 AT 11.00 A.M.

PRESENT

- 1 Tan Sri Dato Seri Syed Anwar Jamalullail - *Chairman*
 (“Chairman”)
- 2 Dato’ Sri Che Khalib bin Mohamad Noh
- 3 Puan Cindy Tan Ler Chin
- 4 Datuk Ooi Teik Huat
- 5 Dato’ Wan Kamaruzaman bin Wan Ahmad
- 6 Datuk Muhamad Noor bin Hamid
- 7 Datuk Dr. Syed Muhamad bin Syed Abdul Kadir
- 8 Tan Sri Dato’ Seri Alauddin bin Dato’ Md. Sheriff
- 9 Datuk Idris bin Abdullah
- 10 Mr. Kohei Hirao

IN ATTENDANCE

Yeoh Soo Mei (Company Secretaries)
Nisham @ Abu Bakar bin Ahmad

SHAREHOLDERS PRESENT

As per the attendance list [Total: 428 representing 5,825,242 Ordinary shares of RM0.10 each (“Malakoff Shares”)]

PROXIES PRESENT

As per the attendance list [Total: 353 representing 3,689,333,972 Malakoff Shares of which of 181,575,113 represented by Chairman]

INVITEES PRESENT

As per Attendance List as attached

AUDITORS

Messrs KPMG
(represented by Encik Muhammad Azman bin Che Ani & team)

1. CHAIRMAN

Y.A.M Tan Sri Dato Seri Syed Anwar Jamalullail chaired the Annual General Meeting.

2. QUORUM

Upon the request of the Chairman, the Secretary confirmed the presence of a quorum.

3. PRELIMINARY

The Chairman welcomed all shareholders and proxies attending the 10th AGM, the fellow members of the Board, members of the management team of MCB and invited guests.

Before proceeding with the agenda, the Chairman informed that the Board of Directors of the Company had decided to withdraw Ordinary resolution 8 (*To approve the payment of Directors' fees not exceeding RM1,500,000.00 for each financial commencing for the financial year ending 31 December 2016*) contained in the Notice of the 10th AGM. A notice of withdrawal of the said Ordinary Resolution had accordingly been issued in the News Strait Times newspaper on 19 April 2016. He further explained that the Board had decided to withdraw the said Ordinary Resolution after taking into consideration the feedback from the Company's shareholders.

There being a quorum, the 10th AGM was duly convened. The Chairman then introduced each and every member of the Board of Directors ("Board") who were in attendance.

The Chairman briefly shared with the shareholders on the performance of the Group in FY2015, the highlights that occurred during the past year and the summary of the Chairman's Statement published in the Annual Report 2015.

4. PRESENTATION BY ACTING CHIEF EXECUTIVE OFFICER ("ACTING CEO")

The Chairman then passed the meeting to En. Habib Husin, the Acting CEO of MCB who gave a brief presentation on the performance review of the Group to the shareholders which covered the following areas:-

- MCB's footprint in Peninsular Malaysia and overseas;
- Local asset performance;
- Achievement of Tanjung Bin Energy Power Plant ("T4") commercial date of operation;
- International Assets;
- Increasing electricity demand in Malaysia;
- The future of repowering and further capacity of expansion of power plants;
- Rising of electricity demand in South East Asia;
- Rising of electricity and water demand in Middle East; and
- A summary of strategies of the Company for future growth.

5. RESPONSES TO MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) QUERIES READ BY EXECUTIVE VICE PRESIDENT, CORPORATE (“EVP, CORPORATE”)

En. Shaharul Farez Hassan, the EVP Corporate of MCB informed the shareholders that the MSWG has forwarded questions to the Company and that the Company had responded to the questions raised in their letter dated 18 April 2016. A copy of the said MSWG’s letter together with MCB’s written reply dated 27 April 2016 have been attached hereto as **Appendix 1**. He then briefed the shareholders on the questions posed by MSWG and the Company’s responses to the questions raised in the said MSWG’s letter.

6. NOTICE CONVENING THE MEETING

The Chairman then proceeded with the notice convening the meeting which was taken as read.

Before proceeding with the resolutions, the Chairman placed on record that a number of shareholders had appointed him as their proxy. He will vote according to their instructions as the meeting consider each resolution.

It was duly proposed by Mr. Ryan Boh Zhuang Boon and seconded by Mr. Tan Eng Huat.

**7. AGENDA 1
TO DISCUSS THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 AND THE DIRECTORS’ REPORT AND AUDITORS’ REPORT**

The Chairman explained that the Audited Financial Statements for the FY2015 tabled under Agenda 1 were only for discussion, as it did not require the formal approval of shareholders under the provisions of Section 169(1) of the Companies Act, 1965 and hence, the matter would not be put forward for voting.

The Chairman then opened the floor for questions on the Audited Financial Statements for the FY2015. The questions raised by the shareholders and proxies were responded by the management and the Board as follows:-

Question 1 (by Mr. James Lim, a shareholder of the Company)

Mr. James Lim drew the attention of the Board to Page 107 on Directors’ remuneration and Note 35 (found on page 247 of the Annual Report) and queried the reasons for the increase in the directors’ fees which comprised entirely non-executive directors (“NEDs”) from RM893,000 in FY2014 to RM1.162 million for FY2015 as well as the increase in the “Other emoluments” from RM281,000 for FY2014 to RM1.296 million for FY2015.

The Chairman replied that generally the increase in the remuneration of the directors from FY2014 to FY2015 was due to his remuneration when he was appointed as the Chairman of the Company but it was also mainly due to the need to remunerate the directors for their increased accountability and responsibility since the Company had been a listed entity since May 2015.

He added in the recent market study carried out by an external consultant engaged by the Company, it was found that the directors' fees presently received by the NEDs were below the 60 percentile of other comparable companies. Moreover, the directors of listed companies are now only allowed to hold directorship of up to five public listed companies. In view of the above, the remuneration package of the directors should be adequate for their retention to continue serving the Company and to attract good directors into the Company.

In reply to the follow-up query by Mr James Lim on the comparator companies which were used in the benchmarking exercise of the directors' fees, the Chairman replied that the comparator companies were selected from some of the top 50 companies in the Kuala Lumpur Composite Index and those in the same industry. He cited that from his experience in other public listed companies, the current directors' fees of RM90,000 (save for the Chairman) was below market and should be in the range of RM120,000. The Board would seek the shareholders' approval for an increase in the directors' remuneration of the NEDs to bring it in line with the market at a more appropriate time.

Question 2 (by Mr. Tan Heng Huat, a shareholder of the Company)

Mr. Tan enquired on the prospects of the Malakoff Group amid a challenging 2016 economic environment. He enquired on the Board's plan to further increase the share price, earnings per share and the returns on equity ("ROE").

The Chairman informed that the Company's Tanjung Bin Expansion plant had just been commissioned and this achievement is a reflection of the Company's track record. Although he took cognisance of the challenging year ahead, he believed that with Malakoff's track record and experience, strong footing and solid Board of Directors, the Company should be able to perform better than last year. The Company was also diversifying into other markets as 90% of their businesses were in local investments.

Question 3 (by Mr. Kok Yoon Wah a proxy to a shareholder of the Company)

Mr. Kok commented that since the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company's shares price were performing lower than its listing price of RM1.80 per share. He enquired whether this was due to the disposal of shares by its major shareholder, MMC Corporation Berhad ("MMC").

The Chairman replied that the poor performance of share price was mainly attributed to the market sentiment. Malakoff is the largest Independent Power Producer ("IPP") in Malaysia holding 25% of the power generating capacity of the nation. There were various analyst reports which had reported that RM2.20 to be fair value of the Company's shares. The dividend yields of the Company's shares was also at a decent 4.2%.

En. Shaharul Farez Hassan, the EVP, Corporate added that there were several changes to the substantial shareholders of the Company since the listing of the Company. He confirmed that MMC had not disposed any of its shares since the listing exercise. The shareholders which have had exited since the listing of the Company were Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte Limited and SEASAF Power Sdn. Bhd.

The Chairman further explained that in place of these said two shareholders, the Company saw the emergence of new institutional substantial shareholders namely Permodalan Nasional Berhad and Lembaga Tabung Haji, two solid institutional investors which are long term investors. He assured that the change in shareholdings in the

Company was normal market trading and was not a reflection of the fundamentals of the Company.

Dato' Sri Che Khalib Mohamed Noh, the representative of MMC on the Board of MCB informed that MMC has no intention of divesting its equity stake in MCB and would lend its assistance where possible. He informed that poor performance of MCB's shares since its listing was due to the timing of its listing which was clouded by the Edra debacle as well as the emergence of a new Chinese player, China General Nuclear Power Group to the power industry. With more clarity now and the track record of MCB proven with the recent commissioning of its T4 plant, the confidence in the Company would increase and share price was expected to perform better.

Question 4 (by Mr. Phang Ah Kow, a shareholder of the Company)

Mr. Phang Ah Kow sought comments from the Board on the tidal wave infrastructure in Malaysia for future power source and whether there were plans for making it a main source of revenue for the Company. He also enquired whether there were plans for the Company to construct water desalination plant in Malaysia in view of the water shortage faced by the nation during the hot season.

He also drew the Board's attention to the page 16 of the abridged annual report where the gross and net gearing of the Group registered for FY2015 were 2.9x and 2.3x respectively, a decrease from last year's 4.4x and 3.4x. Albeit, the decreased gearing ratios, he commented that it was still at a high side and he queried whether the gearing ratios could be further reduced.

Mr. Phang Ah Kow also enquired on the capital expenditure expected for the recently commissioned T4 Plant.

The Acting CEO, En. Habib Husin replied that although the Company is looking for opportunities to build a water desalination plant in Malaysia, but due to the low water tariff offered by the Government, this would not be a feasible business opportunity in the country. The Group had constructed a water desalination plant in the Middle East.

As for the gearing question raised by Mr. Phang, En. Habib Husin informed that it was normal for an IPP business to fund its capital expenditure for the construction of its power plant vide long term borrowings. The borrowings taken by the power generating subsidiaries of the Group were all on a non-recourse basis to the holding company, Malakoff Corporation Berhad.

En Shaharul Farez Hassan, the EVP Corporate explained that the capital expenditure for the T4 plant was expected to be RM700 million. The funding of the CAPEX would be utilised from the balance of financing of the T4 plant.

Question 5 (by Mr. A. Paramsothy A/L Ayadurai a shareholder of the Company)

Mr. Paramsothy commented that Kapar Energy Ventures Sdn. Bhd ("KEV"), a 40% associate company of the Group had recorded losses for the past 2 years and enquired when its performance would turnaround. He also enquired whether the Company would receive better margins from TNB during a heat wave phenomenon like what the country was facing in recent weeks.

The Acting CEO, En. Habib Husin replied that the management of MCB was now actively involved in the management of KEV. He informed that as part of the turnaround plan, KEV had appointed the plant manager from RWE, a renowned German engineering

company. The problem of the steam turbine of KEV's plant had also been resolved in 2015.

On question of better margin during the heat wave, the Acting CEO informed that generally for the IPPs, the fuel payment received from the TNB was sufficient only to cover fuel cost. However, for Tanjung Bin power plant, the PPA allows for the plant to receive a bonus payment as it get despatched more.

Question 6 (by Mr. Poravi A/L SP Sithambaram Pillay, a shareholder of the Company)

Mr. Pillay enquired whether there were plans for Company to penetrate into the East Malaysia market and in the South East Asean countries.

The Chairman informed that it was challenging for other players to penetrate into power sector of the East Malaysia as Sarawak Energy Berhad has a monopoly over the power business in East Malaysia. Moreover, the power generation in East Malaysia was predominantly generated by hydro. The Group do not have the expertise in the generation of power via hydro. As for the penetration into other South East Asean countries, the Chairman informed that there were already discussion at the board level on investment in these markets. The main consideration in investing into these markets was the likelihood of change in regulatory requirement of these countries.

(At this juncture, the Chairman called for the last question from the Meeting, whilst requesting the shareholders/proxies present to submit further question in writing to the Company which would be responded by the Company in due course.)

Question 7 (by Mr. Lim Pin Yeong, a shareholder of the Company)

Mr. PY Lim enquired on the standard fuel conversion ratio and how the gearing ratio could be decreased. He commented that the current gearing of the Company was 3 times more than the shareholders' funds of the Company. He queried on how such gearing ratio could be reduced so that the dividend payout and yield could be increased. He also sought clarification from the Chairman on the statement made earlier by him that the NEDs were receiving RM90,000 per annum whilst in the banding on the remuneration of NEDs, it was shown that all directors were at the minimum receiving more than RM100,000(found on page 107 of the annual report).

He also enquired whether the independent directors which comprised 50% the Board composition were in actual fact independent.

The Chairman informed that the banding of the directors' remuneration included all remuneration payments made to them. The fees received per NED of RM90,000 per annum mentioned earlier was only in respect of the directors' fees. The Acting CEO replied that the standard fuel conversion of the power plant of the Group was dependent on the efficiency level required to be achieved as per their respective PPAs as well as the technology of the power plant. The efficiency level of the Group's power plants was at par with international standards.

As for the gearing level of the Group, the interest rates were on average at 5.5%., which was relatively low. The Company would continuously be looking at new ways of refinancing its debts and reducing its interest rates. A large portion of its gearing was non-recourse to the holding company and only resides at the project company/ at the IPPs.

As for the dividend distribution, En. Shaharul Farez informed that the Board had set a dividend policy of distributing 70% of its PATMI to its shareholders and this could be higher depending on the cash requirement of the Company for its growth plans. On the independent directors, the Chairman assured the shareholders that the independent directors undergo an annual assessment test to ensure that they remain independent.

With that, the Chairman concluded the question and answers session for Agenda 1, and proceeded to call for a proposer and seconder.

Agenda 1 was duly proposed by Mr. Tan Eng Huat and seconded by Puan Sharifah Arina.

The Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Report and Auditors' Report thereon duly tabled and received at the 10th AGM.

**8. AGENDA 2 – ORDINARY RESOLUTION 1
TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM1,162,500.00
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Mr. Poravi A/L SP Sithambaram Pillay proposed as an ordinary resolution:-

“THAT the payment of Directors' fees of RM1,162,500.00 for the financial year ended 31 December 2015 be and is hereby approved.”

The motion, seconded by Mr. Phang Ah Kow was put to vote by show of hands and was declared unanimously carried.

The Chairman declared the resolution on the payment of Directors' fees of RM1,162,500.00 for the financial year ended 31 December 2015 duly passed and approved.

**9. AGENDA 3 - ORDINARY RESOLUTION 2
TO APPROVE THE FINAL SINGLE-TIER DIVIDEND OF 2 SEN PER SHARE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

For **Resolution 2**, the Chairman informed the shareholders/proxies that subject to the approval of the shareholders at the AGM, the final dividend was to be paid to shareholders on 27 May 2016. The entitlement date for the said dividend shall be 9 May 2016 before 4.00 pm.

The following motion on the declaration of final dividend tabled at the meeting was proposed by Mr. Poravi A/L SP Sithambaram Pillay and seconded by Mr. Phang Ah Kow.

“THAT the final single-tier dividend of 2 sen per share for the financial year ended 31 December 2015 be and is hereby approved.”

The motion was put to vote by show of hands and passed unanimously.

The Chairman declared the resolution for the final single-tier dividend of 2 sen per share for the financial year ended 31 December 2015 duly passed and approved.

**10. AGENDA 4 - ORDINARY RESOLUTION 3
RE-ELECTION OF MADAM TAN LER CHIN RETIRES AS DIRECTOR IN
ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S ARTICLES OF
ASSOCIATION**

The Chairman confirmed that Madam Tan Ler Chin has indicated her willingness to be re-elected.

The following **Resolution 3** on the re-election of Madam Tan Ler Chin tabled at the meeting was proposed by Puan Shahrani Zakaria and seconded by Puan Zalela Abd Majid.

“THAT Madam Tan Ler Chin, who retires in accordance with Article 105 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.”

The motion was put to vote by show of hands and was declared carried by a majority of votes.

The Chairman declared the resolution on the re-election of Madam Tan Ler Chin as Director of the Company in accordance with Article 105 of the Company's Articles of Association approved.

**11. AGENDA 5 - ORDINARY RESOLUTION 4
RE-ELECTION OF DATUK IDRIS BIN ABDULLAH RETIRES AS DIRECTOR
IN ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S ARTICLES OF
ASSOCIATION**

The Chairman confirmed that Datuk Idris bin Abdullah has indicated his willingness to be re-elected.

The following **Resolution 4** on the re-election of Datuk Idris bin Abdullah tabled at the meeting was proposed by Mr. Tan Eng Huat and seconded by Mr. Koay Chew Bin.

“THAT Datuk Idris bin Abdullah, who retires in accordance with Article 105 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company.”

The motion was put to vote by show of hands and was declared carried by a majority of votes.

The Chairman declared the resolution on the re-election of Datuk Idris bin Abdullah as Director of the Company in accordance with Article 105 of the Company's Articles of Association approved.

**12. AGENDA 6 - ORDINARY RESOLUTION 5
RE-ELECTION OF DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR
RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF THE
COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman confirmed that Datuk Dr. Syed Muhamad bin Syed Abdul Kadir has indicated his willingness to be re-elected.

The following **Resolution 5** on the re-election of Datuk Dr. Syed Muhamad bin Syed Abdul Kadir tabled at the meeting was proposed by Mr. Poravi A/L SP Sithambaram Pillay and seconded by Mr. Koay Chew Bin.

“THAT Datuk Dr. Syed Muhamad bin Syed Abdul Kadir, who retires in accordance with Article 105 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”

The motion was put to vote by show of hands and was declared carried by a majority of votes.

The Chairman declared the motion on the re-election of Datuk Dr. Syed Muhamad bin Syed Abdul Kadir as Director of the Company in accordance with Article 105 of the Company’s Articles of Association approved.

**13. AGENDA 7 - ORDINARY RESOLUTION 6
RE-ELECTION OF MR. KOHEI HIRAO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY’S ARTICLES OF ASSOCIATION**

The Chairman confirmed that Mr. Kohei Hirao has indicated his willingness to be re-elected.

The following **Resolution 6** on the re-election of Mr. Kohei Hirao tabled at the meeting was proposed by Mr. James Lim and seconded by Mr. Eddie Chen Yew Meng.

“THAT Mr. Kohei Hirao, who retires in accordance with Article 111 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”

The motion was put to vote by show of hands and was declared carried by a majority of votes.

The Chairman declared the motion on the re-election of Mr. Kohei Hirao as Director of the Company in accordance with Article 111 of the Company’s Articles of Association approved.

**14. AGENDA 8 - ORDINARY RESOLUTION 7
TO APPROVE RE-APPOINTMENT OF KPMG TO ACT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING (“AGM”)**

The following **Resolution 7** on the re-appointment of KPMG tabled at the meeting was proposed by Mr. Phang Ah Kow and seconded by Ms. Tan Phek Qun.

“THAT KPMG, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board.”

The motion was put to vote by show of hands and was declared carried by a majority of votes.

The Chairman declared the resolution on the re-appointment of KPMG as Auditors of the Company until the conclusion of the next AGM was duly passed and approved.

15. ANY OTHER BUSINESS

The Chairman informed that the Company has not received any notice of any other business to be transacted at the Annual General Meeting.

16. TERMINATION

There being no further business, the meeting was declared closed at 12.30 p.m.

Confirmed as correct record,

Signed

.....
CHAIRMAN