

MALAKOFF CORPORATION BERHAD

(Company No. 731568-V)

MINUTES OF THIRTEENTH ANNUAL GENERAL MEETING (“13th AGM”) OF MALAKOFF CORPORATION BERHAD (“MCB” OR “COMPANY”) HELD AT THE MAHKOTA BALLROOM, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR ON THURSDAY, 25 APRIL 2019 AT 10.00 A.M.

PRESENT

- | | | |
|---|--|---|
| 1 | Datuk Haji Hasni Harun (“ Chairman ”) | <i>(Independent Non-Executive Chairman)</i> |
| 2 | Dato’ Sri Che Khalib Mohamad Noh | <i>(Non-Independent Non-Executive Director)</i> |
| 3 | Puan Cindy Tan Ler Chin | <i>(Non-Independent Non-Executive Director)</i> |
| 4 | Datuk Ooi Teik Huat | <i>(Non-Independent Non-Executive Director)</i> |
| 5 | Datuk Idris Abdullah | <i>(Independent Non-Executive Director)</i> |
| 6 | Datuk Dr. Syed Muhamad Syed Abdul Kadir | <i>(Independent Non-Executive Director)</i> |
| 7 | Datuk Rozimi Remeli | <i>(Independent Non-Executive Director)</i> |
| 8 | Cik Sharifah Sofia Syed Mokhtar Shah | <i>(Non-Independent Non-Executive Director)</i> |
| 9 | Dato’ Ahmad Fuaad Mohd Kenali | <i>(Chief Executive Officer)</i> |

IN ATTENDANCE

Ms. Yeoh Soo Mei *(Company Secretaries)*
Cik Sharifah Ashtura Jamalullail Syed Osman

SHAREHOLDERS PRESENT

As per the attendance list (Total: 1,053 representing 9,954,229 Ordinary shares (“**Malakoff Shares**”))

PROXIES PRESENT

As per the attendance list (Total: 927 representing 3,182,733,710 Malakoff Shares of which 206,172,269 Malakoff Shares were represented by Chairman)

INVITEES PRESENT

As per Attendance List as attached.

AUDITORS PRESENT

Messrs KPMG PLT
(represented by Mr. Foong Mun Kong & team)

POLLING AGENT PRESENT

Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd)

SCRUTINEER PRESENT

Boardroom Corporate Services Sdn Bhd

PROCEEDINGS OF MEETING

1. CHAIRMAN

YBhg. Datuk Haji Hasni Harun chaired the 13th AGM of the Company.

2. PRELIMINARY

Before the commencement of the meeting, a safety briefing was conducted by Hotel Istana's representative, followed by the recital of prayers and singing of the National Anthem.

The Chairman welcomed all shareholders and proxies who attended the 13th AGM, his fellow members on the Board of Directors ("**Board**"), members of MCB's senior management team and invited guests. The AGM was the fourth AGM since the Company's listing on the Main Board of Bursa Malaysia Securities Berhad in May 2015.

3. QUORUM

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

The Chairman then introduced each and every member of the Board as well as the senior management and advisors who were in attendance.

4. PRESENTATION BY CHIEF EXECUTIVE OFFICER (“CEO”)

The Chairman then invited Dato’ Ahmad Fuaad Mohd Kenali, the CEO of MCB, to give a brief presentation on the overview of the Company’s performance for 2018, its achievements, strategy and prospects going forward. His presentation covered the following areas:

- 2018 Performance Highlights
- Key Achievements
- Key Challenges for 2019 and Beyond
- Going Forward & Aspiration

5. RESPONSES TO MINORITY SHAREHOLDER WATCHDOG GROUP’S (“MSWG”) QUERIES IN ITS LETTER DATED 16 APRIL 2019 (READ BY THE CEO)

Dato’ Ahmad Fuaad, the CEO of MCB, informed the meeting that MSWG had through its letter dated 16 April 2019 raised a few questions to the Company and that the Company had accordingly responded to the questions prior to the meeting. He then proceeded to read the questions and the Company’s response to the said questions.

A copy of the said MSWG’s letter together with MCB’s written reply are attached hereto as **Appendix 1**.

The Chairman thanked the CEO of MCB for his presentation and proceeded to the next agenda of the meeting.

6. NOTICE CONVENING THE MEETING

The Chairman then started with the notice convening the meeting stated on pages 262 to 266 of the Annual Report (“AR”) 2018 which was taken as read.

The Chairman informed that the AGM was the principal forum for dialogue with all shareholders. He and his fellow Board members were present at the AGM to provide clarifications to any questions in relation to the Agenda items and the 9 resolutions to be tabled at the meeting.

The shareholders, proxies and corporate representatives were requested to introduce themselves and provide their relevant details when coming forward to ask questions as well as when proposing a motion or resolution.

The Chairman further informed that in accordance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the

Company's Constitution, all motions to be tabled that day would be voted by way of poll.

Boardroom Share Registrar Sdn Bhd (formerly known as Symphony Share Registrar Sdn Bhd) had been appointed as the Polling Administrator whilst Boardroom Corporate Services Sdn Bhd had been appointed as the Scrutineer.

The Chairman informed that the polling process for the resolutions would be conducted at the end of the deliberation of all resolutions to be decided at the AGM. The Chairman also placed on record that a number of shareholders had appointed him as their proxy and he would vote according to their instructions.

7. **AGENDA 1**

TO DISCUSS THE AUDITED FINANCIAL STATEMENTS ("AFS") OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 ("FY2018") AND THE DIRECTORS' REPORT AND AUDITORS' REPORT

The Chairman explained that the AFS for the FY2018 tabled under Agenda 1 was for discussion only, as it did not require the formal approval of shareholders under the provisions of Section 340(1) of the Companies Act, 2016 and the Company's Constitution and hence, the matter would *not* be put forward for voting.

The Chairman then opened the floor for questions on the AFS of the Company for FY2018. The key questions raised by the shareholders and proxies in relation to the AFS of the Company for FY2018 were addressed by the Board and Management as set out in **Appendix 2** attached hereto.

The Chairman declared that the AFS of the Company for the FY2018 and the Directors' Report and Auditors' Report thereon duly had been tabled and received at the 13th AGM.

8. **AGENDA 2 – ORDINARY RESOLUTION 1**

PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 3.5 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

For **Resolution 1**, the Chairman informed that subject to the approval of the shareholders at this meeting, the final dividend was to be paid to shareholders on 31 May 2019. The entitlement date for the said dividend shall be 10 May 2019.

The following **Resolution 1** on the declaration of final dividend tabled at the meeting was proposed by Encik Noryazid Hamzah and seconded by Mr. Koay Chew Bin:

"THAT the final single-tier dividend of 3.5 sen per share for the financial year ended 31 December 2018 be and is hereby approved."

The voting of the resolution would be conducted at the end of the deliberation of all the Agenda items tabled at this AGM.

**9. AGENDA 2 - ORDINARY RESOLUTION 2
RE-ELECTION OF DATUK DR. SYED MUHAMAD SYED ABDUL
KADIR WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH
ARTICLE 105 OF THE COMPANY'S CONSTITUTION**

(Under the explanatory note 6 of the Notice of AGM dated 27 March 2019, any of the Directors who is a shareholder of the Company shall abstain from voting on the resolution in respect of his re-election at the 13th AGM. As Datuk Dr. Syed Muhamad Syed Abdul Kadir held 150,000 ordinary shares in the Company, he had hence abstained from voting on this resolution)

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

The following **Resolution 2** on the re-election of Datuk Dr. Syed Muhamad Syed Abdul Kadir tabled at the meeting was proposed by Encik Mohd Shahar Yope and seconded by Encik Mohammed Amin Mahmud:

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

The voting of the resolution would be conducted at the end of the deliberation of all the agenda tabled at this AGM.

**10. AGENDA 3 - ORDINARY RESOLUTION 3
RE-ELECTION OF DATUK IDRIS ABDULLAH WHO RETIRES AS
DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF THE
COMPANY'S CONSTITUTION**

(Under the explanatory note 6 of the Notice of AGM dated 27 March 2019, any of the Directors who is a shareholder of the Company shall abstain from voting on the resolution in respect of his re-election at the 13th AGM. As Datuk Idris Abdullah held 172,100 ordinary shares in the Company, he had hence abstained from voting on this resolution)

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

The following **Resolution 3** on the re-election of Datuk Idris Abdullah tabled at the Meeting was proposed by Encik Mohd Shahar Yope and seconded by Mr. Koay Chew Bin:

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

The voting of the resolution would be conducted at the end of the deliberation of all the agenda tabled at this AGM.

**11. AGENDA 4 - ORDINARY RESOLUTION 4
RE-ELECTION OF CIK SHARIFAH SOFIA SYED MOKHTAR SHAH WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY’S CONSTITUTION**

The Chairman confirmed that Cik Sharifah Sofia Syed Mokhtar Shah has indicated her willingness to be re-elected.

The following **Resolution 4** on the re-election of Cik Sharifah Sofia Syed Mokhtar Shah tabled at the meeting was proposed by Encik Mohd Nasri Abd Rahim and seconded by Encik Mohammed Amin Mahmud:

“THAT Cik Sharifah Sofia Syed Mokhtar Shah, who retires in accordance with Article 111 of the Company’s Constitution, be and is hereby re-elected as the Director of the Company.”

The voting of the resolution would be conducted at the end of the deliberation of all the agenda tabled at this AGM.

**12. AGENDA 5 - ORDINARY RESOLUTION 5
PAYMENT OF DIRECTORS’ FEES UP TO AN AMOUNT OF RM1,170,000 TO THE NON-EXECUTIVE DIRECTORS FROM THE CONCLUSION OF THE 13TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

(Under the explanatory note 6 of the Notice of AGM dated 27 March 2019, the Non-Executive Directors (“NEDs”) who are shareholders of the Company shall abstain from voting on ordinary resolutions 5 and 6 concerning fees and benefits to the NEDs at the 13th AGM)

Therefore, the following NEDs who held shares in the Company had abstained from voting on resolutions 5 and 6:

- *Dato’ Sri Che Khalib Mohamad Noh held 420,000 ordinary shares;*
- *Datuk Ooi Teik Huat held 420,000 ordinary shares;*
- *Datuk Idris Abdullah held 172,100 ordinary shares; and*
- *Datuk Dr. Syed Muhamad Syed Abdul Kadir held 150,000 ordinary shares*

As explained under Explanatory Note 3 of the Notice of AGM, the proposed resolutions 5 and 6, if passed, would allow the payment of the following Directors' fees and benefits to the NEDs on a monthly basis and/or as-and-when incurred within the approval period after the NEDs have discharged their responsibilities and rendered their services to the Company:

- Directors' fees; and
- Benefits payable by the Company comprising Board Committee allowances, meeting allowances, annual leave passage and/or annual supplemental fees including benefits-in-kind to the Chairman.

The Directors' fees and benefits set out in Resolution 5 and 6 were not increased from last year.

The following **Resolution 5** on the payment of Directors' fees up to an amount of RM1,170,000 to the NEDs from the conclusion of the 13th AGM until the next AGM of the Company tabled at the meeting was proposed by Encik Mohd Nasri Abd Rahim and seconded by Mr. Koay Chew Bin:

“That the payment of Directors' fees up to an amount of RM1,170,000 to the Non-Executive Directors from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved.”

The voting of the resolution would be conducted at the end of the deliberation of all the Agenda items tabled at this AGM.

**13. AGENDA 6 - ORDINARY RESOLUTION 6
PAYMENT OF DIRECTORS' BENEFITS TO THE NON-EXECUTIVE DIRECTORS AT THE CAPPING AMOUNT OF RM1,350,000 FROM THE CONCLUSION OF THE 13TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

The following **Resolution 6** on the payment of Directors' benefits to the NEDs at the capping amount of RM1,350,000 from the conclusion of the 13th AGM until the next AGM of the Company tabled at the meeting was proposed by Encik Mohd Nasri Abd Rahim and seconded by Encik Noor Raniz Mat Noor:

“That the payment of Directors' benefits to the Non-Executive Directors at the capping amount of RM1,350,000 from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved.”

The voting of the resolution would be conducted at the end of the deliberation of all the Agenda items tabled at this AGM.

**14. AGENDA 7 - ORDINARY RESOLUTION 7
RE-APPOINTMENT OF KPMG PLT 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 PLT tabled at the meeting was proposed by Encik Noor Raniz Mat Noor and seconded by Mr. Koay Chew Bin:

“THAT Messrs. KPMG PLT, 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 Chairman then opened the floor for questions in relation to Resolution 7. The key questions raised by the shareholders and proxies in relation to this agenda were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

The voting of the resolution would be conducted at the end of the deliberation of all the Agenda items tabled at this AGM.

**15. AGENDA 8 – SPECIAL RESOLUTION 8
RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS
OWN SHARES**

The Chairman explained that Resolution 8 under Agenda 8, would grant the Directors the authority to purchase the Company’s own shares of up to 10% of its total number of issued shares subject to Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchases.

The details of the proposed renewal of authority for the Company to purchase its own shares were set out in the Share Buy-Back Statement to Shareholders dated 27 March 2019, was circulated together with the 2018 Annual Report of the Company.

The following **Resolution 8** on the renewal of authority for the Company to purchase its own shares tabled at the meeting was proposed by Encik Noor Raniz Mat Noor and seconded by Mr. Koay Chew Bin:

Proposed Renewal of Authority for the Company to Purchase Its Own Shares

“THAT subject to provisions of the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and all prevailing laws, rules, regulations,

orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company (“**Directors**”), to the extent permitted by law, to purchase such number of ordinary shares in the Company (“**Shares**”) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- a) the maximum aggregate number of Shares purchased or held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the amount of the retained profits of the Company at the time of purchase; and
- c) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:
 - (i) the conclusion of the next annual general meeting of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at that meeting, either conditionally or unconditionally;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company, whichever occurs first;

THAT the Directors be and are hereby authorised to deal with the Shares so purchased, at their discretion, in the following manner:

- (i) cancel the Shares so purchased;
- (ii) retain the Shares so purchased as treasury shares; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares;

THAT where such Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion, in the following manner:

- (i) distribute the Shares as dividends to shareholders, such dividends to be known as “shares dividends”;
- (ii) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Shares or any of the Shares for the purposes of or under an employees’ share scheme;
- (iv) transfer the Shares or any of the Shares as purchase consideration;
- (v) cancel the Shares or any of the Shares; or

- (vi) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade and Consumer Affairs may by order prescribe;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares.”

The Chairman then opened the floor for questions on Resolution 8. The key questions raised by the shareholders and proxies in relation to this agenda were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

The voting of the resolution would be conducted at the end of the deliberation of all the Agenda items tabled at this AGM.

**16. AGENDA 9 - ORDINARY RESOLUTION 9
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

The Chairman explained that Resolution 9 under Agenda 9, would align the Company’s Constitution with the Companies Act 2016, the amended Main Market Listing Requirements (“MMLR”) of Bursa Malaysia and other prevailing statutory and regulatory requirements. All listed entities are required to align the Constitution of their companies to the amended MMLR of Bursa Malaysia by 31 December 2019.

The details of the proposed adoption of new Constitution of the Company were set out in the Circular to Shareholders dated 27 March 2019, was circulated together with the 2018 AR of the Company.

The following **Resolution 9** on the proposed adoption of new Constitution of the Company tabled at the meeting was proposed by Encik Mohd Shahar Yope and seconded by Mr. Koay Chew Bin:

Proposed Adoption of New Constitution of the Company

“THAT approval be and is hereby given for the Company to adopt the new Constitution as set out in Appendix II of the Company’s circular to shareholders dated 27 March 2019, in place of the existing Constitution with immediate effect.

AND THAT the Directors of the Company be and is hereby authorised to do all acts, deeds and things as are necessary and/or expedient with full power to assent to any modifications, variations and/or amendments as may be required by the relevant authorities to give full effect to the foregoing.”

As there were no further questions from the floor, the Chairman invited the representative of the Polling Administrator to brief the shareholders and proxies on the voting process via e-polling.

After the briefing by the Polling Administrator, the Chairman announced that the Company Secretary had informed him that the registration of shareholders and proxies for the voting of the resolutions tabled at the meeting was closed for the counting of votes. He then advised shareholders and proxies to proceed to the polling stations located at the rear of the ballroom for the e-polling. He also announced that the meeting would be adjourned for about 30 minutes for the poll count to be carried out. He requested shareholders and proxies to remain in the ballroom until the result of the poll was announced.

19. ANNOUNCEMENT OF RESULTS

The Chairman announced the results of the voting as follows:

Ordinary Resolution No. 1

- 1) FOR was 99.9999%; and
- 2) AGAINST was 0.0001%.

Ordinary Resolution No. 2

- 1) FOR was 99.889%; and
- 2) AGAINST was 0.111%.

Ordinary Resolution No. 3

- 1) FOR was 99.9104%; and
- 2) AGAINST was 0.0896%.

Ordinary Resolution No. 4

- 1) FOR was 99.7847%; and
- 2) AGAINST was 0.2153%.

Ordinary Resolution No. 5

- 1) FOR was 98.9556%; and
- 2) AGAINST was 1.0444%.

Ordinary Resolution No. 6

- 1) FOR was 99.9991%; and
- 2) AGAINST was 0.0009%.

Ordinary Resolution No. 7

- 1) FOR was 99.7791%; and
- 2) AGAINST was 0.2209%.

Special Resolution No. 8

- 1) FOR was 98.9523%; and
- 2) AGAINST was 1.0477%.

Special Resolution No. 9

- 1) FOR was 99.9991%; and
- 2) AGAINST was 0.0009%.

The Chairman declared that all the motions were duly passed and approved by the Shareholders of the Company at the 13th AGM.

20. ANY OTHER BUSINESS

The Chairman informed that the Company did not received any notice for “Any Other Business” to be transacted at the 13th AGM.

21. TERMINATION

There being no further business, the meeting was declared closed at 1.15 pm.

Confirmed as correct record,

Signed

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CHAIRMAN

**MALAKOFF CORPORATION BERHAD (“MCB” OR “THE COMPANY”)
THIRTEENTH ANNUAL GENERAL MEETING (“13th AGM”) HELD ON 25 APRIL 2019**

PRESENT:

1. Datuk Hj Hasni bin Harun (*Independent Non-Executive Chairman*)
2. Dato’ Sri Che Khalib bin Mohamad Noh (*Non-Independent Non-Executive Director*)
3. Puan Cindy Tan Ler Chin (*Non-Independent Non-Executive Director*)
4. Datuk Ooi Teik Huat (*Non-Independent Non-Executive Director*)
5. Datuk Idris bin Abdullah (*Independent Non-Executive Director*)
6. Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (*Independent Non-Executive Director*)
7. Datuk Rozimi bin Remeli (*Independent Non-Executive Director*)
8. Cik Sharifah Sofia Syed Mokhtar Shah (*Non-Independent Non-Executive Director*)
9. Dato’ Ahmad Fuaad Mohd Kenali (*Chief Executive Officer*)

IN ATTENDANCE:

1. Puan Yeoh Soo Mei (Company Secretary)
2. Cik Sharifah Ashtura Jamalullail binti Syed Osman (Joint Company Secretary)

The summary of key matters discussed at the 13th AGM

| | Key Matters Discussed | Response from the Directors/Management |
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| | <u>AGENDA 1</u> TO DISCUSS THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (“FY2018”) AND THE DIRECTORS’ REPORT AND AUDITORS’ REPORT | |
| 1. | <u>Lim Pin Yeong (“Mr Lim”) and Leo Ann Puat (“Mr Leo”) - Shareholders</u> | |

| | Key Matters Discussed | Response from the Directors/Management |
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| | <p>(a) Mr. Lim commented that the outages at the Tanjung Bin Energy Power plant (“TBEPP”) had been a prolonged issued and enquired when the shareholders could expect the performance of the TBEPP to improve.</p> <p>(b) He also enquired on the settlement amount received from out of court settlement which was also due to a similar tube leak issue with IHI Corporation and enquired whether the boiler tube failures in the Group’s power plants were due to competency of the Company’s personnel’s to operate the Group’s power plant.</p> <p>(c) He also enquired on the reasons for the fire event at the coal conveyor belt at the TBEPP.</p> | <p>(a) The CEO responded that TBEPP was currently undergoing a 70-day scheduled outage which had commenced on 31 March 2019 and would end on 9 June 2019. One of the major maintenance works was the upgrading of the existing finishing reheater tubes to shot-peened tubes as a permanent solution to avoid further recurrence of the boiler tube failures. The cost for the above upgrading would be borne by the original equipment manufacturer (“OEM”), General Electric (“GE”) under the warranty provided by GE. In addition, modification works would be also performed at the AVR room by installing a closed loop air conditioning system to avoid any recurrence of the AVR failure.</p> <p>Management was confident that with the completion of the scheduled maintenance of TBEPP by 9 June 2019, the outage of TBEPP would significantly be minimised and the plant operations stabilised.</p> <p>(b) The CEO replied that the failure of the boiler tubes was due to the materials of the tube designed by the OEM, IHI Corporation and did not relate to competency of the Company’s personnel.</p> <p>(c) The fire incident at TBEPP was suspected to have been caused by the spontaneous combustion of residual coal under the coal conveyor belt / adjacent to the roller carrier behind the cladding or from the heat source from the welding works nearby.</p> |

| | Key Matters Discussed | Response from the Directors/Management |
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| | <p>(d) He sought explanation from the Company's external auditors, Messrs KPMG, the reason for not making any impairment for the Kapar Power plant and Port Dickson Power Plant ("PDPP") and the assumptions there were taken, despite the close down of these two power plants. This was also highlighted in the Key Audit Matters highlighted by KPMG in the AFS 2018</p> <p>(e) He enquired on the payback and returns of the solar power plant given the relatively short life span of the solar panel, ranging from 10 to 12 years, depending on the country of production.</p> | <p>(d) The CEO clarified that no impairment was made for PDPP as it had been depreciated up to its terminal value which was supported by the independent valuer. The Company had also identified a potential buyer to purchase the power island, equipment and ancillary spare parts of PDPP. PDP was currently in discussion with the buyer on the terms and conditions of the said disposal.</p> <p>As for KEV, the impairment loss recorded in respect of the Company's investment in KEV for FY2018 was RM302.24 million compared with last year's RM151.86 million. There was however no impact at the Group level as the impairment losses for KEV had been made accounted for in previous years (Page 172 of the AR 2018).</p> <p>Mr. Foong Mun Kong, the engagement director of KPMG, added to the CEO's explanation above that an assessment of impairment of the Group's property, plant and equipment ("PPE"), intangible assets and goodwill assigned to MCB's power generating subsidiaries was carried out as part of KPMG's statutory audit of the MCB Group.</p> <p>PPEs which had been fully depreciated would not have any impairment impact. This also applied to intangible assets which value were attached to the finite life of the concession. There was however impairment of goodwill which had an infinite life and accordingly, RM171 million of goodwill had been impaired at the Company and Group level for FY2018.</p> <p>(e) The CEO informed that the returns expected from the solar power business was better compared with the Company's investment in TBEPP. The life span of solar panel was around 25 years and Tier 1 suppliers typically provide a 25-year performance warranties as well as 10-year workmanship warranties for the panels.</p> <p>He explained that the investment on solar power was not normally evaluated from payback period but from the perspective of equity returns which could reach low double digit returns in Malaysia. The value and returns of the solar power plant based on the implied rate of return of a solar power plant of 10% translated to a 10-year payback period compared to the long term contract of the solar power plant of 21-years.</p> |

| | Key Matters Discussed | Response from the Directors/Management |
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| | <p>(f) He sought clarification whether the Government of Malaysia could potentially liberalise the power distribution business as in Singapore and enquired whether MCB was ready to capitalise on such potential, should it happen.</p> <p>(g) He also enquired whether the revenue and contribution of Alam Flora Sdn. Bhd. (“AFSB”) had been incorporated in the Audited Financial Statements of MCB and MCB Group for FY2018 (“AFS 2018”) If yes, to provide the amount of revenue and contribution of AFSB.</p> <p>(h) Mr. Lim and Mr Leo requested that the Board explained the inversed 4-year trending of the revenue and profit of the Group from FY2014 to FY2017, whereby the revenue for the period under review was on an increasing trend against the declining of profit after tax and minority interest (“PATMI”) for the same periods (Page 13 of the AR 2018). Will the PATMI continue to decline in future?</p> <p>(i) Mr Leo enquired whether there was a system in which the Board monitors the performance of the Group’s investments.</p> | <p>(f) The Chairman informed that presently, MCB’s business of power distribution business was focused in Kuala Lumpur Sentral. If such liberalisation took place, MCB was ready to seize and undertake the business of power distribution. The Board of MCB would however need to conduct a thorough business study before embarking and investing in this new area of business.</p> <p>(g) The Chairman informed that the fulfilment of the conditions precedent for the completion of the Proposed Acquisition of AFSB was still pending. Therefore, the revenue and profit contribution of AFSB had not been reflected in AFS 2018 of MCB Group.</p> <p>Management was closely monitoring with DRB HICOM Berhad, the progress of the fulfilment of conditions precedent for the completion of the Proposed Acquisition.</p> <p>(h) The increase in revenue of the Company from FY 2014 to FY2017, was due to higher energy income attributed to the higher despatch and fuel prices. Since fuel prices was a passed through cost to Tenaga Nasional Berhad, the increase in revenue would have a neutral impact to the Company’s profitability. The decline in PATMI for the period mentioned above was due to the near expiry of the older concessions of Group which enjoyed higher margins compared to the more recent power purchase agreement such as TBEPP which had a low margin. In order to mitigate further decline in the Group’s profitability in future years, there was an urgent need for the Group to secure new growth.</p> <p>(i) The CEO informed that Management closely monitors the performance of each of its investment so that the appropriate strategic decisions could be made on these investments. The Board also thoroughly review he performance of each of the Company’s investments on a monthly basis through the monthly reports prepared by Management.</p> |

| | Key Matters Discussed | Response from the Directors/Management | | | | | | | | | | | | | | |
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| | <p>(j) Mr. Leo then asked a follow up question on whether the power generation would remain to the main contributor and requested the Board clarified the revenue contribution from various segments of the MCB Group</p> <p>(k) Mr Leo also enquired the Board’s view on the prospects and outlook of MCB in the medium to long term and whether it would still be encouraging. If it is not expected to be encouraging, he suggested that MCB diversified from its core businesses into other businesses, for sustainability of profits.</p> | <p>(j) The Chairman informed the target of the Company was to achieve a 210 MW generation capacity from renewable energy (“RE”) sector. It had to date achieved 100MW of RE. The core business of MCB was still in the power generation and water production. From the total revenue RM7.3 billion, the following revenue contribution by each power generation subsidiaries were briefed at the meeting as follows:</p> <table border="1" data-bbox="1066 491 1547 826"> <thead> <tr> <th></th> <th>2018 RM m</th> </tr> </thead> <tbody> <tr> <td>SEV</td> <td>934</td> </tr> <tr> <td>GB3</td> <td>300</td> </tr> <tr> <td>PPSB</td> <td>263</td> </tr> <tr> <td>PDP</td> <td>50</td> </tr> <tr> <td>TBP</td> <td>4,122</td> </tr> <tr> <td>TBE</td> <td>1,364</td> </tr> </tbody> </table> <p>(k) The CEO informed that as shown earlier in his management presentation to shareholders, the growth areas of MCB in the power business would be in the Middle East and ASEAN region where the power generation capacity in the ASEAN region was expected to more than double to around 565GW by 2040. The major increase in power would come from Indonesia, whose capacity was expected to almost triple, to around 180GW. In the Middle East, an additional 184GW new capacity was required by 2035.</p> <p>There were still large growth opportunities for power generation but the Company would need to be more competitive and to position itself in order to secure such growth opportunities. At the same time, the Company at the local front had started to embark on its expansion into the Waste Management and Environmental Services sector with growth potentials in ASEAN countries through its Proposed Acquisition of AFSB.</p> | | 2018 RM m | SEV | 934 | GB3 | 300 | PPSB | 263 | PDP | 50 | TBP | 4,122 | TBE | 1,364 |
| | 2018 RM m | | | | | | | | | | | | | | | |
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| | <p>(l) To explain the reason for segmental reporting of revenue by geographical segment rather than by operational segment i.e. Power generation, power distribution and water generation.</p> <p>He requested for the Board to consider for future segmental reporting to be presented by operational segment rather geographical segment. This would provide better understanding of shareholders on the main revenue contributor to the MCB Group.</p> <p>(m) He suggested that MCB followed the recommendation of Malaysia Corporate Governance Code 2017 which had prescribed for the Company to leverage on the use of technology for voting in absentia and remote shareholders' participation in general meeting. This was also highlighted by Minority Shareholders Watchdog Group (“MSWG”) in their letter dated 16 April 2019 to the Company.</p> <p>He informed that Bursa Malaysia Securities Berhad (“Bursa”) had recently introduced an application to its shareholders that allowed remote shareholders' participation and voting in absentia. He suggested that the Board of MCB leveraged on same platform used</p> | <p>(l) The presentation of the segmental reporting in the AFS 2018 must comply with the International Accounting Standards and was subject to a materiality test. The CEO explained that more than 90% of the total revenue generated by the Group was from the power generation business whilst the other business segments contributed less than 10%. Moreover, all of the Company’s water generation business were held by its associate companies, where only the Company’s share of profits generated by these associates were equity accounted and their revenue contributions not consolidated in the MCB Group’s AFS 2018.</p> <p>(m) The CEO informed that the Board would look into Mr. Lim’s suggestion and work with Bursa on this, if required.</p> |

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| | by Bursa to provide the same facility to MCB's shareholders. | |
| 2. | <p><u>Anselm Richter ("Mr Anselm") - Shareholder</u></p> <p>(a) He requested for the Board to provide some outlook to shareholders on the performance of MCB for the first half of 2019.</p> <p>(b) He also suggested that MCB considered using environmentally friendly packaging for the food packages distributed to shareholders before the meeting.</p> <p>He would have preferred that the cost involved in providing food packages to shareholders to used instead to pay higher dividends to its shareholders.</p> | <p>(a) The outlook for the first half of 2019 would be lower than the preceding year due to the lower income from TBEPP which was currently on scheduled outage and the expiry of the PDPP's concession. Management had embarked on a cost optimisation programme across the organisation to counter the above-mentioned shortfall in order to sustain the Group's profitability.</p> <p>(b) The CEO thanked Mr. Anselm for his suggestion and informed that he would work with the hotel to provide environmentally friendly packaging for the food packs at MCB's next AGM.</p> |
| 3. | <p><u>Mohammed Amin Bin Mahmud ("En Amin") – Proxy</u></p> <p>(a) En. Amin informed that according to new reports, MCB had proposed to dispose its stake in the 420MW Macarthur Wind Farm ("MWF") in Australia for consideration of AUD500 million as compared to its acquisition price of AUD 140 million.</p> | <p>(a) The CEO informed that the Board of MCB had not approved the Proposed Disposal of MWF. The disposal of MWF was at preliminary stage of price discovery. The Board's approval of the disposal of MWF would depend on the attractiveness of the bids offered.</p> <p>The under performance of the MWF might be attributed to the wind factor but from MCB's perspective, irrespective of MWF's performance, MCB's returns from MWF was fixed and guaranteed by AGL. He added that power purchase agreement of MWF was the last of its kind in Australia.</p> |

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| | <p>He also informed that the MWF was one of the worst performing plant in Australia. He sought the Board’s clarification on the reasons of the sale and underperformance of the MWF.</p> | |
| | <p>(b) He also enquired on the disposal of AGL Energy (“AGL”), the operator and Offtaker, of its 50% equity interest in MWF to HRL Morrison & Co. in 2015. The disposal price of AGL for their equity interest in MWF at that time was more than AUD532 million. Would MCB be able to secure a higher price than AGL?</p> <p>(c) En. Amin also sought the Board’s clarification whether there were further losses arising from MCB’s investment in Algeria which it had fully written off. He commented on the poor financial standing of Hyflux, MCB’s partner in its venture in Algeria. He then enquired on the Company’s prospect in Algeria.</p> | <p>(b) The CEO informed that AGL could have disposed its stake in MWF to pare down its high gearing level as it had over invested.</p> <p>The CEO further explained that potential bidders with the objective of earning a fixed return, would value the investment of MWF higher than other investors. The disposal price for MCB’s stake in MWF was however dependent on the bidding price submitted by potential bidders. He was however hopeful that with guaranteed returns of MWF’s PPA, MCB would be able to obtain a higher disposal price than AGL’s disposal of its stake in MWF.</p> <p>(c) The CEO responded that MCB was contesting the arbitration initiated by the 49% Algeria JV partner, Algeria Energy Company (“AEC”), particularly its locus standi as it was not a party to the Water Purchase Agreement (“WPA”) of Almiyah Attilemcania SPA (“AAS”) Plant. The WPA was still subsisting to date and the AAS Plant was continuing its supply of water to the community at a lower rate. In fact, the Offtakers have entered into an interim arrangement with the project company (AAS) and the investor (Tlemcen Desalination Investment Company SAS (“TDIC”)) recently for the project company to continue to supply water in return for payment obligations committed by the Offtakers. MCB was also disputing the demand by AEC for TDIC to transfer its shares in the project company, AAS to AEC.</p> <p>The CEO elaborate that the best option for MCB was to rehabilitate the AAS Plant and work with the Government of Algeria to continue supplying water to Wilaya of Tlemcen, with or without Hyflux. The main issue was still the seawater turbidity at the water intake of the AAS Plant which had caused permanent damage to the plant. However, the Company was still negotiating with the Offtakers for the best way forward to address the said issue and rectify the current plant conditions.</p> |

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| | AGENDA 7: ORDINARY RESOLUTION NO. 7: TO RE-APPOINT KPMG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION. | |
| 4. | <p><u>Mohammed Amin Bin Mahmud</u> – Proxy</p> <p>En. Amin enquired the tenure of KPMG as MCB’s external auditors and requested that the Board considered changing the auditors so that fresh and different views and opinion could be provided on the financial position of MCB.</p> <p>Follow up statement: Top accounting firms had been involved with global scandals in recent times and it should not be the reason for the recommendation to appoint KPMG.</p> | <p>The Chairman informed that KPMG had been MCB’s External Auditors since its incorporation. The recommendation to appoint KPMG as the External Auditor for the financial year ending 31 December 2019 was made after the annual assessment was performed on KPMG by the Board Audit Committee and Management. Their recommendation for re-appointment was based on improved performance rating from last year. Moreover, KPMG was one of the four premium accounting firms in the country and had shown professionalism and independence throughout their tenure as the Company’s External Auditors.</p> |
| 5. | <p><u>Mohammed Amin Bin Mahmud</u> – Proxy</p> <p>He sought clarification from the Board on whether the share buyback (“SBB”) has met its objective. In his opinion, the SBB exercise required substantial cash outflow and would reduce the liquidity of the Company. It would be better for the Board to declare higher dividend to its shareholders and suggested for the Board of MCB to declare dividend payout of more than 100% of its net profit.</p> <p>He enquired on the total shares which had been bought back so far and the average cost per share for the SBB.</p> | <p>The Chairman informed that the Company had since its listing in 2015, declared dividends in line with its dividend policy of distributing at least 70% of its consolidated net profit. The SBB exercise was to support the share price of the Company when it was significantly undervalued. It also signified the Company’s commitment to maximise shareholders’ value by bringing the share price up to a level closer to its Net Asset (“NA”) per share of 115 sen as at 31 December 2018.</p> <p>For the last two years, MCB has maintained a 100% dividend payout ratio, in line with the Group’s dividend policy. The Chairman added that for shareholders who purchased their MCB shares at the IPO price, the total shareholders’ returns for them would be negative 40% whilst those who purchased the shares recently would enjoy a dividend yield of 7.0% and some capital gain from the recent increase in share price.</p> |

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| | | <p>Management had internally set a target share price that would trigger the buyback of shares and has been prudently buying the shares. The Company would only purchase the shares, if the price drops significantly below the NA per share. To date, MCB has repurchased a total of 112,148,700 units of shares, representing 2.24% of total issued shares. All shares repurchased are currently held as treasury shares. The average share price of the SBB was RM0.87. The Board would decide at an appropriate time, on how the treasury shares would be utilised.</p> |