

MULPHA INTERNATIONAL BHD

(Company No. 19764-T)

MINUTES OF THE 43RD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT LEVEL 11, MENARA MUDAJAYA, NO. 12A, JALAN PJU 7/3, MUTIARA DAMANSARA, 47810 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 8 JUNE 2017 AT 2.30 P.M.

PRESENT : **Board of Directors:**
Dato' Yusli Bin Mohamed Yusoff (*in the Chair*)
Kong Wah Sang
Chew Hoy Ping
Dato' Lim Say Chong
Loong Caesar

ABSENT WITH : Lee Seng Huang
APOLOGIES : Law Chin Wat
Chung Tze Hien

SHAREHOLDERS/ : As per Attendance Lists
PROXIES/GUESTS

IN ATTENDANCE : Angelyn Lee (*Company Secretary*)

1. **CHAIRMAN AND OPENING ADDRESS**

Dato' Yusli Bin Mohamed Yusoff ("**Dato' Chairman**") presided as Chairman of the Annual General Meeting ("**AGM**"). He then welcomed all members, proxies and invited guests present and called the AGM to order.

Dato' Chairman informed the members that the voting of resolution at the AGM would be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. For this purpose, Dato' Chairman exercised his right as Chairman of the Meeting to demand for a poll in accordance with Article 75 of the Company's Articles of Association in respect of all the resolutions which would be put to vote at the AGM.

He further informed that the Company's Share Registrar, Symphony Share Registrar Sdn Bhd was the appointed Poll Administrator to conduct the electronic polling process and Symphony Corporatehouse Sdn Bhd was the appointed Scrutineers to verify the poll results.

2. **QUORUM**

Upon enquiry from Dato' Chairman, the Company Secretary confirmed that there was sufficient quorum for the AGM.

3. **NOTICE OF AGM**

Upon enquiry from Dato' Chairman, the Company Secretary confirmed that the notice convening the AGM had been duly sent to all members. The notice was also announced to Bursa Malaysia Securities Berhad on 27 April 2017 and advertised in the NST newspaper on 28 April 2017.

Upon the proposal by Dato' Chairman and with the consent of the members, the notice was taken as read.

4. **PRESENTATION**

The Chief Executive Officer, Mr Gregory David Shaw presented an overview of the Group's performance and strategies to the shareholders and proxies. Thereafter, Mr Shaw invited questions from the floor.

In summary, the questions and comments raised by the shareholders/proxies which were duly responded by Mr Shaw and the Executive Director, Mr Eric Lee were as follows:-

- (1) Several shareholders enquired as to the rationale of the Company (**or "Mulpha"**) for not distributing dividends to shareholders given that the Group has high value of total assets and shareholders' funds.
- (2) Mr Lim Jit Hai commented that the Company should reward the shareholders with dividends in view that the Company had raised funds from the right issues last year.

In response to the enquiries on dividend, Mr Shaw responded that Management would take into consideration the requests of the shareholders. In view that the current market sentiment is challenging and volatile, Management is working towards building a sustainable and consistent cash flow base for the Group. The Board would continue to assess and review the capital management strategy for the best interest of the Group.

- (3) Mr Lim Jit Hai mentioned that the ratio of the share consolidation was not beneficial to the minority shareholders.
- (4) Mr Lee Kook Fong enquired on the impact of the share consolidation on the Company's share price.

Mr Eric Lee explained that the objective of the share consolidation is to improve its capital structure. The exercise is expected to increase its earning per share and net asset per share due to a reduction on the number of Mulpha shares, but without affecting the shareholdings of the shareholders of the Company.

Consolidating the shares would lead to a reduction in the number of shares available in the public market and could potentially reduce the volatility of the trading market for Mulpha shares.

- (5) Mr Lee Kok Fong and Mr Ho Yueh Weng ("**Mr Ho**") enquired on the rationale for the disposal of the Company's shares in Mudajaya Group Berhad ("**Mudajaya**") at a loss of RM105.92 million.
- (6) Mr Ho further enquired if Mulpha has nominated Directors on the Board of Mudajaya.

Mr Eric Lee explained that the loss on disposal of associate of RM105.92 million due to Mudajaya ceasing to be an associated company was a one-off non-cash item, as the loss was a result of the change of accounting treatment. The retained interest in Mudajaya was measured at fair value and regarded as the initial carrying amount of investment securities and this has resulted in a loss on disposal of RM105.92 million at the Group level.

In view of the current loss financial position of Mudajaya, Mr Eric Lee assured that the strategy to de-associate Mudajaya was for the benefit of the shareholders. He further informed that Dato' Chairman, Mr Chew Hoy Ping and himself are the nominated Directors on the Board of Mudajaya.

- (7) Mr Lee Kok Fong and Mr Ho enquired the reason for Mr Lee Seng Huang's absence at the AGM.
- (8) Mr Ho suggested that Mr Lee could attend the AGM via video conferencing.

Dato' Chairman conveyed Mr Lee's apologies for not being able to attend the AGM. He assured the shareholders that Mr Lee has been very much involved in the business operations of Mulpha. He also thanked Mr Ho for his suggestion.

- (9) Mr Ho enquired on the actual losses suffered by Hayman Island Resort due to the damage caused by Cyclone Debbie.

Mr Shaw responded that initial estimates by the insurers placed the extent of the damage at approximately A\$95 million for property damage and A\$40 million for business interruption. These estimates would be affirmed once detailed consultant reports have been reviewed and costed by quantity surveyors. The impairment loss of RM33.3 million was recognised in the first quarter 2017 results.

- (10) Mr Ho made reference to the utilisation of proceeds raised from the rights issue, and enquired the reason for the 66.9% under-estimation of the estimated expenses.

Mr Eric Lee responded that the main reason for the under-estimation was due to the unexpected number of shareholders/subscribers for the rights issue which led to the increase in printing and postage costs.

- (11) Mr Ho sought clarification on Mulpha's subscription for Series 1 US\$60 million (equivalent to RM268.8 million) medium term notes issued by Mudajaya Ventures Limited, a wholly-owned subsidiary of Mudajaya.

In response to this, Mr Eric Lee clarified that this subscription provides a good return to Mulpha's subsidiary, Mulpha Strategic Limited with an interest rate of 7% per annum. The Company expects to generate a positive cash flow each year from this investment opportunity.

As there were no further questions from shareholders, Mr Shaw handed over the meeting to Dato' Chairman to proceed with the agenda proper.

5. AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Directors' and Auditors' Reports thereon were tabled to the members.

Dato' Chairman informed the members that the Audited Financial Statements were required to be laid before the members pursuant to Section 340(1)(a) of the Companies Act 2016 and the Audited Financial Statements did not require a formal approval by the members. Hence, it was not put forward for voting.

With no questions from the floor on the Audited Financial Statements, Dato' Chairman proceeded to the next item on the agenda.

6. ORDINARY RESOLUTION NO. 1

• Payment of Directors' Fees

Ordinary Resolution 1 on the payment of Directors' fees amounting to RM390,000 for the financial year ended 31 December 2016 was duly proposed by Mr Chin Chee Pyng and seconded by Ms Lim Sui Shian.

7. ORDINARY RESOLUTION NO. 2

• Payment of Directors' Benefits

Ordinary Resolution 2 on the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors from 31 January 2017 until the next AGM of the Company was duly proposed by Ms Lew Lai Kuan and seconded by Ms Loke Yin Teng.

8. ORDINARY RESOLUTION NO. 3

• Re-appointment of Messrs KPMG PLT as Auditors

Dato' Chairman declared that Messrs KPMG, have indicated their willingness to continue in office for the ensuing year until the next AGM.

Ordinary Resolution 3 on the re-appointment of Messrs KPMG PLT as Auditors was duly proposed by Ms Har Yuen Heong and seconded by Ms Yeap Yen Yen.

9. ORDINARY RESOLUTION NO. 4

• Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Dato' Chairman explained that Ordinary Resolution 4 is to empower the Directors to issue shares in the Company up to 10% of the total issued shares of the Company in order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

Ordinary Resolution 4 was duly proposed by Mr Chin Chee Pyng and seconded by Ms Catherine Tan.

10. ORDINARY RESOLUTION NO. 5

- **Proposed Renewal of Authority to Allot and Issue Shares pursuant to the Company's Dividend Reinvestment Plan**
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Ordinary Resolution 5 on the Proposed Renewal of Authority to Allot and Issue Shares pursuant to the Company's Dividend Reinvestment Plan, was duly proposed by Ms Lim Sui Shian and seconded by Ms Har Yuen Heong.

11. ORDINARY RESOLUTION NO. 6

- **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**
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Ordinary Resolution 6 on the Proposed Renewal of Authority for the Purchase by the Company of its Own Shares, was duly proposed by Ms Leong Kum Hiong and seconded by Ms Lew Lai Kuan.

12. ORDINARY RESOLUTION NO. 7

- **Continuing in Office as Independent Non-Executive Director**
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Ordinary Resolution 7 on the retention of Mr Kong Wah Sang who has served on the Board for a cumulative term of more than 9 years, as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012, was duly proposed by Ms Catherine Tan and seconded by Ms Loke Yin Teng.

13. ORDINARY RESOLUTION NO. 8

- **Continuing in Office as Independent Non-Executive Director**
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Ordinary Resolution 8 on the retention of Mr Chew Hoy Ping who has served on the Board for a cumulative term of more than 9 years, as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012, was duly proposed by Ms Lim Sui Shian and seconded by Ms Leong Kum Hiong.

14. POLLING PROCESS

With the completion of all the agendas, Dato' Chairman declared the registration for attendance at the AGM closed and proceeded with the polling session. Pn Rozleen Monzali from Symphony Share Registrars Sdn Bhd, the Poll Administrator, was invited by Dato' Chairman to brief on the procedures for the conduct of electronic poll voting.

After the briefing from Pn Rozleen, Dato' Chairman adjourned the Meeting for electronic polling process.

15. ANNOUNCEMENT OF POLL RESULTS

Dato' Chairman called the Meeting to order for the announcement of poll results. The poll results were received from the Scrutineers, Symphony Corporatehouse Sdn Bhd.

(a) **ORDINARY RESOLUTION NO. 1**

• **Payment of Directors' Fees**

Dato' Chairman announced the poll results in respect of Ordinary Resolution 1 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,956,442	99.9695	496,154	0.0305	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 1 was duly passed. It was hereby RESOLVED:

THAT the payment of Directors' fees amounting to RM390,000 for the financial year ended 31 December 2016 be hereby approved.

(b) **ORDINARY RESOLUTION NO. 2**

• **Payment of Directors' Benefits**

Dato' Chairman announced the poll results in respect of Ordinary Resolution 2 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,870,692	99.9642	581,904	0.0358	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 2 was duly passed. It was hereby RESOLVED:

THAT the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Director from 31 January 2017 until the next AGM of the Company be hereby approved.

(c) **ORDINARY RESOLUTION NO. 3**

• **Re-appointment of Messrs KPMG PLT as Auditors**

Dato' Chairman announced the poll result in respect of Ordinary Resolution 3 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,625,180,442	99.9833	272,154	0.0167	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 3 was duly passed. It was hereby RESOLVED:

THAT the appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2017 and authorisation to the Board of Directors to determine their remuneration be hereby approved.

(d) **ORDINARY RESOLUTION NO. 4**

• Authority to Issue Shares pursuant to Sections 75 & 76 of the Companies Act 2016

Dato' Chairman announced the poll result in respect of Ordinary Resolution 4 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,789,442	99.9592	663,154	0.0408	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 4 was duly passed. It was hereby RESOLVED:

THAT subject always to the Companies Act 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

(e) **ORDINARY RESOLUTION NO. 5**

• Proposed Renewal of Authority to Allot and Issue Shares pursuant to the Company's Dividend Reinvestment Plan

Dato' Chairman announced the poll result in respect of Ordinary Resolution 5 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,789,442	99.9592	663,154	0.0408	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 5 was duly passed. It was hereby RESOLVED:

THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 27 June 2011, the Directors be and are hereby authorised to allot and issue new ordinary shares in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next AGM of the Company, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company.

THAT the Directors and the Secretary be and are hereby authorised to do all such acts and enter into all such transactions, agreements, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or at the discretion of the Directors in the best interest of the Company.

(f) **ORDINARY RESOLUTION NO. 6**

• Proposed Renewal of Authority for the Purchase by the Company of its Own Shares

Dato' Chairman announced the poll result in respect of Ordinary Resolution 6 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,625,195,442	99.9842	257,154	0.0158	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 6 was duly passed. It was hereby RESOLVED:

THAT subject to compliance with the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time; and
- (b) an amount not exceeding the Company's audited retained profits and/or share premium account at the time of purchase will be allocated by the Company for the purchase of own shares.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:-

- (i) the conclusion of the next AGM of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them or such other purposes as allowed under the Act.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.

(g) **ORDINARY RESOLUTION NO. 7**

• Continuing in Office as Independent Non-Executive Director – Mr Kong Wah Sang

Dato' Chairman announced the poll result in respect of Ordinary Resolution 7 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,996,442	99.9719	456,154	0.0281	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 7 was duly passed. It was hereby RESOLVED:

THAT approval be and is hereby given to Kong Wah Sang, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012.

(h) **ORDINARY RESOLUTION NO. 8**

• Continuing in Office as Independent Non-Executive Director – Mr Chew Hoy Ping

Dato' Chairman announced the poll result in respect of Ordinary Resolution 8 which was carried as follows:

FOR		AGAINST		TOTAL	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,624,996,442	99.9719	456,154	0.0281	1,625,452,596	100

Dato' Chairman declared that Ordinary Resolution 8 was duly passed. It was hereby RESOLVED:

THAT approval be and is hereby given to Chew Hoy Ping, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012.

16. **CONCLUSION**

On behalf of the Board, Dato' Chairman thanked Mr Law Chin Wat, Dato' Lim Say Chong and Mr Chung Tze Hien for their contributions and commitment to the Company during their tenure of service in the Company.

The AGM concluded at 4.00 p.m. with a vote of thanks to the Chair.

Confirmed as a true and correct record:-

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CHAIRMAN

Date: 8 June 2017