

TALIWORKS CORPORATION BERHAD (6052-V)
(Incorporated in Malaysia)

MINUTES OF TWENTY-SIXTH ANNUAL GENERAL MEETING

Date : Monday, 22 May 2017

Time : 11.30 a.m.

Venue : Ballroom 1, Sime Darby Convention Centre
1A, Jalan Bukit Kiara 1
60000 Kuala Lumpur

	<u>Attendance FY2017</u>
Present	
: Tan Sri Dato' Seri Ong Ka Ting (Chairman, Senior Independent Non-Executive Director)	1 / 1
: Dato' Lim Yew Boon (Executive Director)	1 / 1
: Mr Lim Chin Sean (Non-Independent Non-Executive Director)	1 / 1
: Mr Soong Chee Keong (Independent Non-Executive Director)	1 / 1
: Mr Vijay Vijendra Sethu (Non-Independent Non-Executive Director)	1 / 1
: Dato' Sri Amrin Awaluddin (Independent Non-Executive Director)	1 / 1
: Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin (Independent Non-Executive Director)	1 / 1
: En Ahmad Jauhari Bin Yahya (Independent Non-Executive Director)	1 / 1
: Shareholders and Proxy Holders – as per attendance lists	
In Attendance	
: Mr Kevin Chin Soong Jin – Chief Investment Officer	
: Mr Victor Wong Voon Leong – General Manager, Group Finance	
: Ms Tan Bee Hwee – Company Secretary	

ACTION

1. CHAIRMAN

Tan Sri Dato' Seri Ong Ka Ting (“Tan Sri Chairman”) chaired the meeting.

2. WELCOMING ADDRESS

Tan Sri Chairman welcomed all present at the Twenty-Sixth Annual General Meeting (“AGM”) of Taliworks Corporation Berhad (“TCB” or “the Company”) and called the meeting to order at 11.35 a.m.

ACTION

3. NOTICE

The Notice of Meeting, having been circulated earlier, was taken as read.

4. OPENING SPEECH

Tan Sri Chairman introduced the members of the Board, Senior Management and the Company Secretary to the meeting.

5. QUORUM

The Company Secretary confirmed that a quorum was present for the meeting.

6. NUMBER OF PROXIES

The Company Secretary informed that the total number of proxy forms received within the prescribed period was 239, representing 802,112,071 shares of the total number of issued shares of the Company.

7. ANNOUNCEMENT ON POLLING AND ADMINISTRATIVE MATTERS

7.1 Tan Sri Chairman explained the procedure of the meeting and informed the shareholders that all resolutions would be put to vote by way of poll, pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

7.2 He also informed the shareholders that Symphony Share Registrar Sdn Bhd and Malaysian Issuing House Sdn Bhd had been appointed as the Poll Administrators and Poll Scrutineers respectively.

7.3 He further informed the shareholders that poll voting would be conducted only after all the agenda items as set out in the Notice of the Twenty-Sixth AGM had been dealt with.

7.4 After that, he proceeded with the first agenda item as set out in the Notice of the Twenty-Sixth AGM.

8. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

8.1 Tan Sri Chairman dealt with the first agenda item, which was to receive the Audited Financial Statements for the financial year ended 31 December 2016, together with the Reports of the Directors and Auditors thereon.

ACTION

- 8.2 Tan Sri Chairman explained that the agenda item was meant for discussion only, as the provision of Section 248 of the Companies Act, 2016 did not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item would not be put forward for voting.
- 8.3 Mr Lee Chee Meng of Minority Shareholder Watchdog Group (“MSWG”) took the microphone and referred to their questions that had been forwarded to TCB. He requested that Tan Sri Chairman read out the questions for the benefit of the shareholders. He opined that some shareholders might have in mind the same questions posed by the MSWG.
- 8.4 Tan Sri Chairman noted the request and good intention of Mr Lee Chee Meng to be proactive in answering the questions that the shareholders might have in mind.
- 8.5 Tan Sri Chairman then invited Mr Victor Wong Voon Leong (“Mr Victor Wong”), the General Manager of Group Finance, to read out the replies to the questions posed by MSWG, which were projected on the screen.

8.6 **MSWG’s Questions and TCB’s Replies**

(i) Strategic & Financial Matters

Q1: Please explain why SPLASH was slow in paying its debt to the Company amounting to RM530 million before making the provision.

What measures have been taken to speed up the collection?

A1: The reason why SPLASH has been slow in paying its debt to Sungai Harmoni Sdn. Bhd. (“SHSB”) is elaborated in Note 25 of the Audited Financial Statements, which is on page 210 of the Annual Report. It is also given in pages 28 and 34 of the Management Discussion and Analysis.

The ongoing Selangor Water Restructuring exercise involving the Federal Government and the Selangor State Government has been long outstanding since 2008 and this has contributed to the current state where SYABAS is unable to make full payment to SPLASH, which in turn is unable to pay SHSB in full.

To speed up the collection, the management has had discussions with the Selangor Economic Planning Unit and Air Selangor to reach a possible settlement on the amount due from SPLASH. Whilst several settlement terms have been discussed, no final terms have been concluded.

Q2: Three different scenarios were considered on the timing of collection to determine the provision for discounting on the amount due from SPLASH.

Could the Board outline the assumptions used in the three scenarios and the reasons for each scenario?

ACTION

A2: The three assumptions used in the timing of collection to determine the provision for discounting the amount due from SPLASH were as follows:-

Scenario	Assumption	Basis / Reasons
A	The Board assumes that pending the completion of acquisition of SPLASH by Air Selangor, the quantum of payment from SPLASH would remain at approximately 34%.	This has been the current payment pattern by SPLASH since July 2016. However, under this scenario, the amount of payment by SPLASH is not sufficient to sustain the business operations of SHSB.
B	The Board assumes that pending the completion of acquisition of SPLASH by Air Selangor, the quantum of payment from SPLASH would be increased to approximately 60%.	This was the payment pattern by SPLASH prior to July 2016. This is the minimum amount of payment required to sustain the business operations of SHSB.
C	The Board assumes that the acquisition of SPLASH by Air Selangor would be completed, but the amount due from SPLASH would be settled over several instalments.	This is based on a precedent debt settlement scheme undertaken in 2005 by SHSB and SPLASH.

Q3: As disclosed in page 211 of the Annual Report, the Company needs to provide an additional provision for discounting RM38.945 million in respect of the amount due from SPLASH if the Group's expectations on the timing of payments are extended by a year.

In the Board's view, would the Selangor State water restructuring exercise be expected to resolve by this year?

A3: The Selangor Water Restructuring exercise is an ongoing process undertaken between the Federal Government and Selangor State Government. Negotiations between the two parties have been deferred to 5 October 2017 and the Board is hopeful of an amicable resolution by this year.

Q4: The Group is gearing to expand its business in the infrastructure space.

Could the Board share where the Group intends to invest and how much would the expected investment be?

A4: The Board intends to grow and expand into mature operational cash-generating utilities/infrastructure businesses, both domestically and in the foreign developed markets.

The amount of expected investments has not been decided by the Board and it would depend on amongst others, the financial capability and gearing level of the Group, the participation of joint venture partners and the level of control required of the investees.

ACTION

(ii) Corporate Governance Matters

Q5: We noted that Encik Ahmad Jauhari Bin Yahya attended only four out of six Board meetings during the financial year.

What was his reason for not being able to attend these meetings held during the financial year?

A5: He was overseas on two of the occasions. Nevertheless, he has attended more than the minimum 50% of the Board meetings held during the year, as required under the Listing Requirements.

Q6: We noted that the Company is seeking shareholders' approval for the payment of meeting allowance to the Chairman and members of the Board/Board Committees for their attendance at each meeting from 31 January 2017 until the conclusion of the next Annual General Meeting of the Company.

We also noted that for FY2016, the directors received meeting allowances and benefits-in-kind. However, only meeting allowances were tabled for shareholders' approval.

Could the Board confirm that the benefits-in-kind would not be paid to the directors until such resolution is tabled at the AGM in 2018 and shareholders' approval obtained?

A6: The benefits-in-kind paid/payable to the Executive Director is under his service of contract and not subject to shareholders' approval.

Benefits-in-kind payable to non-executive directors, if any, for 2017, will only be paid upon obtaining shareholders' approval at the next AGM in 2018.

Tan Sri Chairman then invited the shareholders and proxy holders to raise their questions, if they had any, on this agenda item.

Shareholder's/Proxy Holder's Question and TCB's Reply:

Q1: Shareholder – Mr Wan Heng Wah

On the new developments which entail SWM Environment Holdings Sdn Bhd ("SWMH"), TCB has acquired 35% interest in the solid waste business in Melaka, Johor and Negeri Sembilan. On the partnership with the Employees' Provident Fund ("EPF"), which I presume started with Grand Saga Sdn Bhd ("GSSB") and Grand Sepadu (NK) Sdn Bhd ("GSNKS"), did EPF approach us or did we approach EPF? I would like to know because EPF (as you are fully aware) is looking for solid waste assets, especially regulated assets with good cash flow and good earnings. EPF will certainly make a very good partner.

ACTION

On the disposal waste business in China, how much were the disposal proceeds and what were the earnings as a result of this disposal of solid waste business in China? I presume that we have totally exited the solid waste business in China and we have no intention to re-enter the other areas of solid waste business in China.

About the operating company, GSSB, I noted TCB has 35% equity interest, and probably 5% economic interest. It is the same for EPF. Would you be kind enough to clarify the difference between 35% equity interest and 5% economic interest. I am puzzled why we acquired two interests. Why not equity interest, to make it simple?

What is the rationale for TCB and EPF to acquire equity interest and the economic interest?

I presume TCB would be on the look-out for mature infrastructural assets, like in Water, Toll or Solid Waste. Is that the direction we are moving towards?

On Impairment, SPLASH is only paying us 33%-35% of our monthly billings and therefore, the accumulated debts are around RM530.0 million. Are we making impairment for such debts, some of which I presume are been fairly old because they have not been paying the billings in full. Therefore, as and when the debts get older, I think we should look at impairment. Have we started a plan for impairment for these receivables so that our income statement is fairly stated?

A1: Mr Kevin Chin Soong Jin (“Mr Kevin Chin”):

To answer your first question, EPF has been an indirect shareholder of GSSB, all the way back to 2007 when TCB first acquired its interest in GSSB. In 2007, TCB acquired 55% interest, of which 35% interest was held by CIMB SEASAF Private Equity Fund of which EPF was a cornerstone investor. Therefore, EPF has been an investor / partner to TCB all the way back since 2007. Therefore, there was a natural cause of event that when the private equity fund disposed of its interest, EPF came in as a natural partner for a direct stake in Cerah Sama Sdn Bhd entity. In respect of GSNKSB, TCB acquired the equity interest in GSNKSB via a distress tender conducted by Pricewaterhouse, and we completed the acquisition in December 2014. In 2015, EPF became our partner, with an equal stake in GSNKSB. If I may answer your question in an indirect way, TCB acquired a stake in GSNKSB in December 2014 and thus, we have 90% economic interest. By economic interest, I mean the ability/entitlement to receive dividends from holding ordinary as well as preference shares. What we sold to EPF was half of the entitlement to receive dividends. As a result, that was why TCB ended up with 45% of economic interest and EPF gained 45% of economic interest. I think I have answered both of your questions.

ACTION

A1: Mr Victor Wong explained the 'Impairment':

Your next question relates to the disposal of the People's Republic of China ("PRC") business. The proceeds from disposal we have received were USD54.6 million.

On the second question, I think you are referring to some results of the Company from the disposal of the business in the PRC. If you look at Page 181 of the Annual Report, because the business was disposed of, from an accounting point of view, we look at it as a discontinued operation. At the bottom of Page 181, is the analysis of the profit/(loss) for the year from discontinued operations. If I could summarize, the operation was making a loss. The loss from operations alone was RM16.310 million for the financial year 2015. In 2016, the business continued to bleed with loss of RM10.944 million, and that was only for five months. This was the reason for the Board's decision to dispose of the loss making operations in the PRC.

On the question regarding impairment for SPLASH, we have been making Impairment every quarter. There are two types of impairment that we need to look at. First of all, is the amount owing by SPLASH with a gross value of RM531.1 million as at 31 March 2017. When it comes to impairment as a write-off (it means we cannot collect), we have not made any impairment in that respect. This is because we are entitled to receive payment in full as there is no litigation and no disagreement on that amount. The second impairment we made to our accounts is on the time value of money. The RM530 million today will not be worth the same in a few more years. Therefore, we do discount the time value of money back to today's price.

Q2: Shareholder – Mr Loke Yoon Hoe ("Mr Loke")

The amount made by SYABAS to TCB's subsidiary, SHSB, has been reduced and is therefore, not enough to sustain operations. Can the Board enlighten us on how you are going to sustain the operations?

A2: Mr Victor Wong:

The 34% is just a gauge. When we do our impairment test, we have to look at certain assumptions, but it is not saying that TCB will be paid 34% all the way until the end. Therefore, we had to make a few assumptions. Coming back to your question, you are right in a sense that if we need to pay off our creditors in full, obviously 34% is not enough to go around. What we would normally do is that once we receive payment from SPLASH, we need to pay fixed costs, for example, the staff salary, income tax, etc. and whatever that is left, we use it for our cash flow to make sure that creditors are paid, especially TNB and the chemical suppliers. Obviously, we do not pay the creditors in full because we have not received the payments in full. That is how we manage our cash flows.

ACTION

Q3: Shareholder – Mr Leo Ann Puat (“Mr Leo”)

On FY2016, I think the performance is fantastic. Of course, last year was good because of your gain on disposal of RM60.0 million. In terms of volume and cash, they have gone down. Based on operations, you have done well, disregarding the exchange translation loss. There is only one question I would like to ask. On the Statements of Financial position on Page 130, Note 28 on the Current and Non-Current Assets, you have the Deposits with licensed banks of RM154.1 million. What interest rate are you getting from the bank? You have so much money. Do you intend to use it or just put it there? If not, then pay us dividends.

Although your cash flow amount has gone down, it is still positive, as such, the Company is still doing fine. Moving ahead, based on the performance of 2016, the Company did very well. What is your view of 2017? Will it be just as good?

A3: Mr Victor Wong:

On your first question on interest rate, if you look at the ‘Deposits with licensed banks’ under Note 27 on Page 213 of the Annual Report, the average interest rates of deposits range from 0.48% to 4.00% is notated on the last paragraph. When it comes to the amount of cash, first of all, we need to understand that a lot of the cash is at the subsidiary level. For example, we have a lot of cash at the Toll Division and they have also issued Sukuk. Under the Sukuk terms, there are certain financial covenants we need to meet before we declare dividends. At the Group level, there is a lot of cash but the subsidiary levels are unable to declare cash up to the Company for us to declare dividends.

Q4: Shareholder – Mr Loke

In terms of the Sukuk, if you can accelerate the payments, you can cut down interest costs. If you put your money in the bank compared with what you borrowed, what is the differential sum? Perhaps, you should redeem the bonds early.

A4: Mr Kevin Chin:

If I may try to answer your question from a debt and capital structure management perspective, it is always in the interest of the Company to keep a higher level of debt for as long as possible to maximise the tax deductibility of interest payments. The more you do not have to pay back the principal amount of your debt, the more cash is available for the Company to declare dividends. The strategy is always to lengthen the debt and keep the lender from taking back the principal.

ACTION

Q5: Shareholder – Mr Dickson Ng Sek Wah (“Mr Dickson”)

Now with all the reserves, are you looking for new business? Do you have a binding agreement with the present government on infrastructure business?

A5: Dato’ Lim Yew Boon:

To answer your question, we are always looking for new opportunities to generate cash flow. We definitely have a binding agreement on the concessions.

Q6: Shareholder – Mr Leo

On Page 128 of the Statements of Profit and Loss, there was a tax credit in 2016. The tax credit was derived from the non-taxable income as shown on Note 13 of Page 180. What was the reason for the Income Tax credit of RM8.4 million? Is it a tax credit or just a provision or does it have to be reversed in future?

A6: Mr Victor Wong:

On the Income Tax on Note 13 on Page 179, you are correct in looking at a tax credit in the Income Statements.

In the last quarter of 2016, there was a change in the accounting policy in the way we amortise the Highway Development Expenditure resulting in a deferred tax credit. This is quite technical because it is a taxation issue, and not so much related to accounting per se.

Q7: Shareholder – Mr Leo

He asked if this was due to accounting treatment and therefore, it had nothing to do with the government paying back to TCB.

A7: Mr Victor Wong replied in the affirmative.

Tan Sri Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2016 (“FYE 2016”), together with the Reports of the Directors and Auditors thereon, had been received in accordance with the Companies Act, 2016.

There being no further question raised by the shareholders or proxy holders, Tan Sri Chairman proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

ACTION

9. TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM1.080 MILLION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

9.1 Tan Sri Chairman referred to the Resolution 1 on the agenda to approve the payment of Directors' Fees of RM1.080 million in respect of the financial year ended 31 December 2016.

9.2 Tan Sri Chairman then invited the shareholders and proxy holders to raise their questions on this agenda item, and said that the Company did not pay any fees to the Directors in the previous year. He clarified that the Board was presenting this Resolution for the shareholders' approval for the exact amount, which was the same as in the previous year.

9.3 Questions from the floor were addressed and noted as follows:

Q1: Proxy – Madam Chia Ai Chan (“AC Chia) who acted as a proxy for her husband

I noticed the Directors' Fees are more than RM1.0 million but I understand that they are to be distributed amongst the eight Directors. Am I correct? Has the number of directors increased this year? As previously said by the shareholders, if there is an excess of funds, I hope that the excess is not to be paid to the Directors but to the shareholders.

A1: Tan Sri Chairman:

Last year, we proposed this amount to the AGM but we did not pay out any money. Therefore this year, we come back to you because we respect your wish to say that we should come to the shareholders for the exact amount instead of the ceiling amount. We are sticking to that, fully respectful of your view. Last year, we had eight Directors altogether. The details are on Page 78 of the Annual Report. The fee to be paid to each Director is stated there.

Reference was made to the total fees of RM1.104 million. Tan Sri Chairman pointed out with reference to Note 1 at the footnote on that page, and said that RM24,000 had to be taken out from the fees, and the amount would come to RM1.080 million. That RM24,000 is the payment for the Executive Director in respect of the indirect subsidiary, Grand Saga Sdn Bhd, therefore it is not part of the Directors' fee per se. The breakdown of the RM1.080 million is as per the table on Page 78. There is no surplus of money going to the Directors, without your approval.

Q2: Shareholder – Mr Leo

Just a caveat, you made over RM90.0 million and therefore, it is alright to pay RM1.0 million. If you look at Note 12 on Page 179, for the Non-Executive Directors, the fees have more than doubled, from RM420,000 to RM960,000. Are there any particular reasons? Of course, for the

ACTION

Executive Director, it is alright for the salary to go up. But for the Non-Executive Directors, is there an increment or is there an increase in the number of directors?

A2: Mr Victor Wong:

The Non-Executive Directors' Fees have increased from RM420,000 in 2015 to RM960,000 in 2016. One of the reasons is that some of the Directors came in only in the middle of the year, and the increase was effective from the middle of the year.

Q3: Shareholder – Mr Leo

Mr Leo asked if there was an agreement on that and whether a resolution was made in the previous year for that? Is the number of directors the same?

A3: Tan Sri Chairman:

The shareholders approved the payments for 2015. He said that compared with 2015, the Directors' Fees were lower and in 2016, the Directors' Fees increased. He further said that the Board had sought the approval of shareholders before the Fees for 2015 were paid in 2016. As for the previous year and this year, the number of directors is still the same. But there is a difference in Directors' Fees between 2015 and 2016.

Q4: Shareholder – Mr Danny Ng

I think you have not exactly answered why the Independent Directors' Fees doubled, which have a very big impact based on quantum and percentage. If you double the fees every year, say from RM0.900 million to RM1.080 million, then to RM2.160 million, etc. there will be no end to the increase. Is this your policy for Directors' Fees?

He also referred to the query of MSWG and asked if the Company had put a cap on the maximum increment in the fees of Independent Directors?

A4: Dato' Lim Yew Boon:

We take into consideration the size of the Company and the increased responsibilities of the Directors and for this, we compared with other companies in similar industries.

A4: Tan Sri Chairman:

You can rest assure it is not our policy or practice to keep doubling the fees. This review is not done too often. The Directors sitting here bring with them different experiences, talents and professional status. And I would say we have a very good Board, and having them in the Board is

ACTION

an asset to the Company.

A4: Mr Vijay Vijendra Sethu:

To correct a misconception, there was no capping of the Directors' Fees. What happened was 18 months ago, the Company did a study of the Directors' Fees in the market for listed companies of comparable size and we found that we were slightly below the market. I do not have the exact number but the increment was only about 30%. The number has gone up so much because there was an increase in the number of directors. We brought in two new Independent Directors. As such, the number you see here is a combination of the increase in Directors' Fees to bring it to match what the market is paying, and for the Directors not to be paid below the market. Secondly, there was an increase in the physical number of Directors. There is no policy at all to double or to increase the Director's Fees. All we are trying to do is to follow the market practice. And we are paying RM1.080 million. We will review the Directors' Fees to make sure that they are in line with the market.

Tan Sri Chairman assured the shareholders that their points and advice were taken. Before he proceeded, he requested the shareholders to take note that the Company had been growing, and not only see the increasing fees. The market capitalisation had also increased from over RM400.0 million to RM1.8 billion then. The Directors' responsibilities were heavy and they had been doing the work, which was not easy. As entrusted by the shareholders, they had to take care of their interests as well.

There being no further question raised by the shareholders or proxy holders, Tan Sri Chairman then proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

10. TO APPROVE THE PAYMENT OF MEETING ALLOWANCE TO THE CHAIRMAN AND MEMBERS OF BOARD / BOARD COMMITTEES OF RM1,600 AND RM1,000 RESPECTIVELY FOR THEIR ATTENDANCE AT EACH MEETING FROM 31 JANUARY 2017 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

10.1 Tan Sri Chairman referred to the Resolution 2 on the agenda with respect to approving the payment of meeting allowance to the Chairman and Members of the Board and Board Committees of RM1,600 and RM1,000 respectively for their attendance at each meeting from 31 January 2017 until the conclusion of the next Annual General Meeting of the Company.

10.2 Tan Sri Chairman then invited the shareholders and proxy holders to raise their questions on this agenda item.

10.3 There being no question raised by the shareholders or proxy holders, Tan Sri Chairman then proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

ACTION

11. TO RE-ELECT THE FOLLOWING DIRECTORS, WHO ARE RETIRING PURSUANT TO ARTICLE 80 OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, HAVE OFFERED HIMSELF FOR RE-ELECTION

11.1 Re-Election of Tan Sri Dato' Seri Ong Ka Ting

Tan Sri Chairman referred to the Resolution 3 on the agenda pertaining to the re-election of himself as a Director of the Company, who was retiring pursuant to Article 80 of the Constitution of the Company and being eligible, had offered himself for re-election.

11.1.1 As he was an interested party in the Resolution, he handed over the chair to Dato' Lim Yew Boon, the Executive Director, to put forth the motion to the meeting.

11.1.2 Dato' Lim Yew Boon then invited the shareholders and proxy holders to raise their questions on this agenda item.

Q1: Shareholder – Mr Wan Heng Wah

I like to draw your kind attention to the fact that in the Annual Report, there is no Curriculum Vitae ("CV") of all the Directors. I think it appears in the website. However, for transparency and also for good governance, it is advisable that the CV, the age and experience, etc. of the Directors appear in the Annual Report for our knowledge. The only person with the CV is Tan Sri Chairman because he was a politician. I know that he was born in 1956 and he graduated from University of Malaya with a BSc (Maths). I think that is about all I know. Who is a member of the accounting or engineering profession? Could you be kind enough to ensure that it appears in next year's Annual Report?

A1: Dato' Lim Yew Boon:

We will take note of that.

Q2: Shareholder – Mr Danny Ng

I wish to follow up on this very serious matter. You said you made a survey on all the other companies on how much their directors are paid. But you failed to look at other companies' reports or the director's profile. Why is that you only look at other directors's payment and not their quality. I think Taliworks is not a very well led company if you keep looking at directors's fees instead of how they present the directors' profile.

A2: Dato' Lim Yew Boon:

Thank you, we will take note of that.

ACTION

11.1.3 As there was no further question, Dato' Lim Yew Boon passed the chair back to Tan Sri Chairman to conduct the proceedings of the meeting.

11.2 Re-Election of Dato' Lim Yew Boon

11.2.1 Tan Sri Chairman referred to the Resolution 4 on the agenda pertaining to the re-election of Dato' Lim Yew Boon who was retiring pursuant to Article 80 of the Constitution of the Company and being eligible, had offered himself for re-election.

11.2.2 Tan Sri Chairman said that the profile of Dato' Lim Yew Boon could be viewed on the Company's website and also on the screen. He also said that he agreed with the question raised on the Directors' profiles. He said if there is no restriction to put the Directors' profiles into the Annual Report, it will then be done the following year. He said that it was done in the previous years but not that year as the Annual Report was rather thick. He directed the question to the Company Secretary for an explanation.

11.2.3 The Company Secretary explained that the disclosure of the Directors' profiles on the website was optional and that the Company had the option to put the information on the website or in the Annual Report, as allowed under the Bursa Malaysia Listing Requirements.

11.2.4 Tan Sri Chairman said that although it would be optional, he noted the shareholders' comment and agreed that the CV and profiles, with the latest photographs of the Directors, would be inserted into the Annual Report as a matter of good governance, going forward.

11.2.5 There being no further question raised by the shareholders or proxy holders, Tan Sri Chairman proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

11.3 Re-Election of Mr Vijay Vijendra Sethu

11.3.1 Tan Sri Chairman referred to the Resolution 5 on the agenda pertaining to the re-election of Mr Vijay Vijendra Sethu, who was retiring pursuant to Article 80 of the Constitution of the Company and being eligible, had offered himself for re-election.

11.3.2 There being no question raised by the shareholders or proxy holders, Tan Sri Chairman then proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

ACTION

12. TO RE-APPOINT MESSRS. DELOITTE PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

12.1 Tan Sri Chairman referred to the Resolution 6 on the agenda pertaining to the re-appointment of Messrs. Deloitte PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

12.2 There being no question raised by the shareholders or proxy holders, Tan Sri Chairman proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

SPECIAL BUSINESS

Ordinary Resolution No. 1

13. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

13.1 Tan Sri Chairman referred to the Resolution 7, under Special Business of the Agenda in respect of the Authority to issue shares pursuant to Sections 75 And 76 of the Companies Act 2016.

13.2 “THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier.”

There being no question raised by the shareholders or proxy holders, Tan Sri Chairman proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

ACTION

**14. Ordinary Resolution No. 2
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**

14.1 Tan Sri Chairman referred to the Ordinary Resolution 8, under Special Business of the Agenda in respect of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

14.2 "THAT subject to Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") with the related party(ies) as set out in Section 2.5 of the Circular to Shareholders of the Company dated 28 April 2017 ("the Circular") provided that such transactions are:

- (a) necessary for the day-to-day operations;
- (b) in the ordinary course of business and are on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public; and
- (c) not prejudicial to the minority shareholders of the Company.

("Shareholders' Mandate")

THAT such approval shall continue to be in force and effect until:

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

whichever is the earlier:

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

ACTION

14.3 There being no question raised by the shareholders or proxy holders, Tan Sri Chairman then proceeded to the next agenda item as set out in the Notice of the Twenty-Sixth AGM.

15. TO TRANSACT ANY OTHER ORDINARY BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN GIVEN

Tan Sri Chairman informed that the Company had not received any notice to deal with any other business for which due notice was required to be given pursuant to the Companies Act 2016.

16. POLLING AND ANNOUNCEMENT OF POLL RESULTS

16.1 Tan Sri Chairman adjourned the meeting for about 30 minutes for the polling and vote counting process to be completed.

16.2 Conduct of the Poll by Symphony Share Registrars Sdn Bhd proceeded for all the proposed Resolutions.

16.3 The Scrutineers, Malaysian Issuing House Sdn Bhd, gave the verified poll results to Tan Sri Chairman. The Scrutineers were invited to present the results of the poll for all the Resolutions as follows:

RESOLUTION	VOTE FOR		VOTE AGAINST		RESULTS
	NO. OF SHARES	%	NO. OF SHARES	%	
1. Ordinary Resolution 1	795,045,440	99.9998	1,875	0.0002	CARRIED
2. Ordinary Resolution 2	795,047,315	100	0	0	CARRIED
3. Ordinary Resolution 3	801,028,490	99.9998	1,875	0.0002	CARRIED
4. Ordinary Resolution 4	801,030,365	100	0	0	CARRIED
5. Ordinary Resolution 5	800,922,465	99.9865	107,900	0.0135	CARRIED
6. Ordinary Resolution 6	803,796,865	100	0	0	CARRIED
7. Ordinary Resolution 7	712,565,590	98.858	8,231,725	1.142	CARRIED
8. Ordinary Resolution 8	186,285,936	99.999	1,875	0.001	CARRIED

ACTION

17. CLOSURE OF MEETING

There being no further business, the Twenty-Sixth Annual General Meeting of the Company was declared closed at 1.15 p.m. with a vote of thanks to the Chair.

Date : 22 May 2017

READ AND CONFIRMED BY

CHAIRMAN