

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

MINUTES OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

Date : Tuesday, 15 May 2018

Time : 11.00 a.m.

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

	<u>Attendance FY2018</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-Seventh Annual General Meeting (“AGM”) of Taliworks Corporation Berhad (“TCB” or “the Company”) and called the meeting to order at 11.00 a.m.

ACTION

3. NOTICE

The notice of meeting (“Notice of Twenty-Seventh AGM”), 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 165, representing 837,758,048 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-Seventh AGM had been dealt with.

7.4 He informed that Ordinary Resolutions 1 to 8 required a simple majority of more than 50% votes from those shareholders present in person or by proxies and voting at the meeting. The Special Resolution required 75% votes from those shareholders present in person or by proxies and voting at the meeting.

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

ACTION

8. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 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 2017, together with the Reports of the Directors and Auditors thereon.

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 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item was not put forward for voting.

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

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

Q1: Shareholder – Mr Leo Ann Puat (“Mr Leo”)

I would like to suggest that a short presentation be made on the financials and the outlook of the Company for the next two years so that we can appreciate the performance of the Company better.

I refer to page 17 of the Annual Report (“AR”) – 5-Year Financial Highlights, which is to be read in conjunction with page 138 of the AR – Statements of Profit or Loss & Other Comprehensive Income (“P&L”) of the AR. Based on the profitability table, the Company performed very well in earlier years. For 2017, although revenue increased by around RM64 million, the EBITDA, Profit before Tax and Profit after Tax actually deteriorated. Based on page 187, Note 9, there are two items that caused the huge increase in Administrative Expenses, i.e. Provision for discounting of receivables and Loss on foreign exchange. Could the CFO give a brief explanation on the two items although the Provision for discounting of receivables was been detailed out in Note 25 of the AR?

What is the outlook for 2018? Will it be better or worse? What is the factor for the decreased profitability as the Company performed very well in earlier years?

A1: Mr. Victor Wong Voon Leong, General Manager – Group Finance (“Mr Victor Wong”)

With regard to the rather significant increase in the Administrative Expenses, I would like to refer you to the P&L on page 138 of the AR. There was an increase in revenue from RM304 million in 2016 to RM368 million in 2017 but also an increase in the Administrative Expenses from RM44 million in 2016 to RM94 million. The increase in the Administrative Expenses was mainly due to the RM45 million Provision for discounting of receivables.

ACTION

I would like to refer you to page 32 of the AR where a detailed commentary is given on the performance of the Company as follows:

“For the current financial year, the Group’s revenue (excluding the provision for discounting on a deferred payment consideration) increased from RM367.17 million to RM374.87 million or by 2.1%, mainly attributable to higher contribution from the construction division which saw the division record a revenue of RM51.74 million compared with RM39.63 million a year ago. After taking into account the impact from the provision for discounting on a deferred payment consideration, the Group’s reported revenue stood at RM368.64 million (2016: RM304.86 million), a jump of RM63.78 million as a result of a lower provision for discounting on a deferred payment consideration of RM6.23 million (2016: RM62.32 million).”

Basically, the provision for discounting of receivables was required as the deferred payment from SPLASH had to be discounted for the time value of money. However, you see that there was a much lower provision required in 2017 compared with 2016. The reason again is stated on page 32 as follows:

“The lower provision for discounting on a deferred payment consideration in the current financial year was attributable to the adoption on a new basis, where repayments from SPLASH were applied to settle current billings over the older billings, whereas previously repayments were applied to settle older billings over the current billings. The adoption of this basis resulted in a lower provision being required to discount receivables to be set-off against revenue. Correspondingly, a higher provision for discounting of receivables was to be recognised in administrative and other expenses, as opposed to the previous basis, where higher provision for discounting on receivables was included in the revenue and a reversal of discounting of receivables was recognised as other operating income. As a result of this, revenue and administrative and other expenses for the current year were higher than the corresponding year, whereas other operating income was lower than the corresponding year.”

Mr Victor Wong also advised that shareholders to refer to the Company’s detailed 4th Quarter 2017 results which has a table provided to explain the impact of the discounting to give more clarity as the matter was technical.

Q2: Shareholder – Mr Leo

Please confirm if this was due to the accounting treatment and would be quite consistent in future years? Could this provision be reversed subsequently?

A2: Mr Victor Wong replied in the affirmative on the accounting treatment.

ACTION

As for the reversal of the provision, in the event full payment is received from SPLASH, the provision of around RM176 million would be written back to the P&L.

Q3: Shareholder – Mr Leo

As a follow-up question, why was the accounting treatment changed for provision discounting of receivables? Was it due to change in accounting standards or due to Management's policy? What was attributed to the loss in foreign exchange? Was it an extraordinary item?

A3: Mr Victor Wong

The change in accounting treatment was not due to a change in accounting standards but was effected following discussions with the external auditors on a more realistic way of discounting the receivables. As for the foreign exchange loss, in May 2016, the China business was disposed of and the proceeds on disposal of USD54.6 million was received. The foreign exchange loss in 2017 was due to the strengthening of the Ringgit from RM4.40/USD1.00 to RM4.00/USD1.00.

Q4: Corporate Representative – Ms Elaine Choo

Ms Elaine Choo of Minority Shareholder Watchdog Group ("MSWG") enquired for the answers to their questions, which were forwarded to TCB on 11 May 2018.

A4: Tan Sri Chairman

Tan Sri Chairman commented that there would be a separate session where the questions raised by MSWG and TCB's answers would be projected on the screen after all the shareholders' and proxy holders' questions had been dealt with.

Q5: Shareholder – Mr Wan Heng Wah ("Mr Wan")

I would like to know if the foreign exchange gain was translation gain or realised gain. If it was due to translation, it might not have too much impact as the position could be reversed due to currency fluctuations.

On the disposal of the business in China, what was the rationale for the disposal as I believe it was a core business of the Company? Is there any intention to re-visit this business or similar businesses in China as there are plenty of opportunities there? Lastly, where in China was this business operating from?

A5: Mr Victor Wong

To answer your question on the foreign exchange gain, please refer to page 186, Note 8 and page 187, Note 9 of the AR.

ACTION

From the breakdown in Note 8, for 2016, the realised and unrealised gain in foreign exchange were RM2.682 million and RM15.651 million respectively. For 2017, the breakdown is shown in Note 9, with realised and unrealised loss on foreign exchange of RM5.364 million and RM2.635 million respectively.

A5: Dato' Lim Yew Boon

With regard to the business in China, it was in Ningxia, China. The rationale for disposing of the business was due to the delay in finalising the revised tariffs by the China government. The long gestation period resulted in further capital expenditure being pumped into the business without the certainty of the revised tariff which take into account of the additional capital expenditure.

A5: Tan Sri Chairman

At the same time that the Company exited from China, it bought into a local waste management company, i.e. a 35% stake in SWM Environment Holding Sdn Bhd ("SWMEH"), which was more mature in terms of its operations.

Q6: Shareholder – Mr. Leo

After selling the Chinese business, what is next? What are the Company's short-term or long-term plans?

A6: Dato' Lim Yew Boon

Although the Company had exited from China, it has now reinvested in SWMEH in Malaysia as mentioned earlier, and also a company in waste management business. We will continue to look for cash-generating businesses and other suitable and profitable businesses if the returns are right.

Q7: Shareholder – Mr Leo

From the AR, I see there are two summons from Tenaga National Berhad ("TNB"). May I know what is happening and what are the chances of winning the case? If the Company loses the case, the Company's profit may be affected.

A7: Dato' Lim Yew Boon

The matter is in court at the moment and therefore, it is not appropriate for me to comment.

Q8: Shareholder – Mr Loke Yoon Hoe ("Mr Loke")

What is the outlook for the Company for 2018? As I see it, there are a few outstanding issues, i.e. receivables from SPLASH, and change in the

ACTION

government. If these matters cannot be resolved, the dividend of 8 sen may not be sustainable. What is the dividend yield outlook?

A8: Dato' Lim Yew Boon

With the change of federal government, there would be emphasis on rule of law. We are a concessionaire-based business, so we would adhere strictly to that, so in terms of continuity, we are confident we would maintain our business whilst looking out for new ventures.

As for dividends, the Company declared two sen per quarter from mid-2015 to 2017. We hope to resolve the pending SPLASH issue the soonest possible with the change in federal government and if this is resolved, the dividend quantum could be maintained.

8.5 As there were no further questions from the shareholders and proxy holders, Tan Sri Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2017, together with the Reports of the Directors and Auditors thereon, be received in accordance with the Companies Act, 2016.

8.6 Tan Sri Chairman then invited Mr Victor Wong to read out the replies to the questions posed by MSWG, which were projected on the screen.

8.7 **MSWG's Questions and TCB's Replies**

(i) **Strategic & Financial Matters**

Q1: We refer to Page 219 of the Annual Report in respect of the three assumptions (scenarios) used to determine the provision for discounting on the amount due from SPLASH, with an equal probability of one-third placed to each of the scenarios.

Q1(i): What is the basis of placing an equal probability of one-third to each scenario considering that Scenario B was the payment pattern by SPLASH prior to July 2016 and may not be realistic?

A1(i): As the current quantum of payment from SPLASH is around 34% to 38%, we have written to SPLASH on several occasions to request for an increase in the quantum of payment back to around 60%, which realistically is the minimum amount required to sustain our operations.

Q1(ii): What is the likelihood that the Selangor water restructuring deal can be completed by the latest deadline on 4 July 2018 as stated on Page 27 of Annual Report, thus averting further provisioning of RM41,437,000?

A1(ii): As the acquisition of SPLASH under the Selangor water restructuring deal is between the Selangor State Government and shareholders of SPLASH, we are not in a position to comment on the completion of the said water restructuring by the latest deadline on 4 July 2018. We remain hopeful and optimistic that the Selangor water restructuring will be resolved in due time.

ACTION

- Q1(iii): If the water restructuring deal is resolved by 4 July 2018, will the Board be able to provide some indication of the expected amount of monies to be received?
- A1(iii): We are not made aware of the terms and conditions of the Selangor water restructuring including the settlement of the amount owed to us by SPLASH. We hope to receive in full all monies due to us once the water restructuring deal is resolved.
- Q2: As stated on Page 213 of the Annual Report, if the estimated pre-tax discount rate applied to the discounted cash flows had been increased by 1.0%, there will be an impairment to the goodwill at the end of the reporting period amounting to RM99.64 million.
- Q2(i): What contributed to the increase in the pre-tax discount rate from 8.5% in FY2016 to 10.64% in FY2017 and what is the likelihood of a further increase in FY2018 that will result in an impairment?
- A2(i): The increase in the pre-tax discount rate is attributable to the changes in market parameters applied in the calculation of the discount rate. As at to date, there are no indications of an increase in the pre-tax discount rate that will result in an impairment in FY2018.
- Q2(ii): Subsequent to the use of the key assumptions, is the actual scenario closely in line with the assumptions or is less favourable and may result in impairment made moving forward?
- A2(ii): As at 30 April 2018, the year-to-date Average Daily Traffic (“ADT”) is higher by 3.8% and 2.7% compared with the year-to-date April 2017 and forecast respectively. The actual ADT achieved is more favourable than the projections made based on the key assumptions as disclosed in the financial statements and is not expected to result in any impairment.
- Q3: As stated on Page 51 of the Annual Report, the Engineering and Construction Division recorded a profit after tax of only RM1.17 million in FY2017 compared with RM1.08 million in FY2016 although revenue was much higher at RM51.54 million in FY2017 versus RM39.56 million in the previous year.
- Q3(i): What were the contributing factors for the declining profit margin and what measures have been taken to address the declining profit margin?
- A3(i): For FY2017, the gross profit margin was higher at 11.6% compared with 10.8% the year before. However, despite the higher revenue, profit after tax was comparable to the previous year due to higher administrative expenses, interest expense imputed in retention sums and higher effective tax rate in the current financial year.
- Q3(ii): What is the total value of outstanding tender book and the probable success rate?

ACTION

A3(ii): For the whole of 2017, we have, either solely or jointly with other parties, tendered for several projects with total value of approximately RM1.9 billion. However, to-date, we have not been successful in securing any of these projects. The success in securing of projects remains challenging, nevertheless, we are continuing with our efforts to tender for more projects, primarily in the infrastructure sector to boost our tender book.

Q4: In regard to the Group's Waste Management Division, please enlighten shareholders on the outlook for the Division and plans for expansion whether local or overseas.

A4: Currently, we do not have any plans to expand our waste management business abroad. Nevertheless, our outlook for the waste management business remains favourable as our business focus is in investing in mature, operational cash-generating utilities/infrastructure businesses in the domestic market, as well as developed markets in overseas.

(ii) Corporate Governance Matters

Q5: We noted that Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin attended only four out of six Board meetings during the financial year.

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

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

Q6: The Company in its Corporate Governance Report (page 55) has stated that it has applied Practice 12.3 of MCCG. Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company's AGM. Based on the Company's explanation on the application of Practice 12.3, the Company has not applied the Practice correctly.

We hope the Board will take note of this.

A6: Practice 12.3 of MCCG requires listed companies with a large number of shareholders or which have meetings in remote locations should leverage on technology to facilitate:

- voting including voting in absentia; and
- remote shareholders' participation at General Meetings.

The Board wish to clarify that all the general meetings of the Company are held either in Kuala Lumpur or Petaling Jaya which are easily accessible to our shareholders. As at 19 March 2018, the number of registered shareholders of the Company totalled 2,487 which does not constitute a fairly large number of shareholders.

ACTION

Nevertheless, the Board will take note and consider leveraging technology to facilitate voting in absentia and remote shareholder participation in future AGMs.

8.8 Tan Sri Chairman thanked Mr Victor Wong for the presentation and proceeded to the next agenda item as set out in the Notice of the Twenty-Seventh AGM.

9. TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM1.080 MILLION IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2017.

9.2 Tan Sri Chairman then invited the shareholders and proxy holders to raise their questions on this agenda item, and 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 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-Seventh 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 15 MAY 2018 UNTIL THE CONCLUSION OF THE NEXT AGM 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 15 May 2018 until the conclusion of the next AGM 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 A question from the floor was addressed and noted as follows:

Q1: Shareholder – Mr Ng Aik Pheng (“Mr Ng”)

I noticed the amount of meeting allowance set for the Chairman of the Board/Board Committees is RM1,600, which is rather odd as most times, the amount would be rounded up at RM1,500 or RM1,000. May I know how the RM1,600 was derived?

ACTION

A1: Dato' Lim Yew Boon:

The Company compared the meeting allowance in the market for listed companies of comparable size to establish the reasonableness of the fee.

10.4 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-Seventh AGM.

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 THEMSELVES FOR RE-ELECTION

11.1 Re-Election of Mr Soong Chee Keong

11.1.1 Tan Sri Chairman referred to the Resolution 3 on the agenda pertaining to the re-election of Mr Soong Chee Keong, who was retiring pursuant to Article 80 of the constitution of the Company and being eligible, had offered himself for re-election.

11.1.2 Tan Sri Chairman said that the profile of Mr Soong Chee Keong could be found on page 25 of the AR.

11.1.3 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-Seventh AGM.

11.2 Re-Election of Dato' Sri Amrin Bin Awaluddin

11.2.1 Tan Sri Chairman referred to the Resolution 4 on the agenda pertaining to the re-election of Dato' Sri Amrin Bin Awaluddin, 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' Sri Amrin Bin Awaluddin could be found on page 24 of the AR.

11.2.3 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-Seventh AGM.

11.3 Re-Election of Mr Lim Chin Sean

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

ACTION

election.

11.3.2 Tan Sri Chairman said that the profile of Mr Lim Chin Sean could be found on page 25 of the AR.

11.3.3 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-Seventh AGM.

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 AGM 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-Seventh AGM.

SPECIAL BUSINESS

Ordinary Resolution No. 7

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 during the preceding 12 months 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 AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless

ACTION

revoked or varied by an ordinary resolution of the Company at a general meeting.”

13.3 A question from the floor was addressed and noted as follows:

Q1: Shareholder – Mr Ng Aik Pheng (“Mr Ng”)

By issuing the 10% shares of the Company, how would this affect the share premium of the Company?

A1: Mr Kevin Chin:

Any issuance of shares would be based on the prevailing market price. However, pursuant to the Company’s Act 2016, there would no longer be share premium and the proceeds from the issuance of new shares would be recognised as part of the Company’s share capital.

13.4 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-Seventh AGM.

Ordinary Resolution No. 8

14. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND PROPOSED NEW 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 Existing Shareholders’ Mandate and Proposed New 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 Part A of the Circular to Shareholders of the Company dated 16 April 2018 (“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”)

ACTION

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

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM ;
- (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.”

- 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-Seventh AGM.

SPECIAL RESOLUTION

15. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

- 15.1 Tan Sri Chairman referred to the Special Resolution, under Special Business of the agenda in respect of the Proposed Adoption of New Constitution of the Company.

- 15.2 “THAT the Constitution of the Company be altered by deleting the existing Constitution in its entirety and substituting thereof with a new Constitution as set out in Appendix I of the Annual Report AND THAT the same be hereby adopted as the Constitution of the Company. AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the proposed adoption of new Constitution.”

- 15.3 A question from the floor was addressed and noted as follows:

Q1: Shareholder – Mr Ng Aik Pheng

ACTION

May I know if there is any clause in the Constitution that provide for AGMs to be held not in the same month and same day as the AGMs of other companies as this will cause a lot of hardship to shareholders when the date clashed?

Even if it is held on the same day, could Tricor Corporate Services Sdn Bhd and Symphony Share Registrars Sdn Bhd assist to ensure the timing of the meetings are spread out from 8.00 a.m. to 8.00 p.m. instead of around 10.00 a.m., which is the most popular time?

A1: Ms Tan Bee Hwee – Company Secretary

Under the Listing Requirements and in accordance with the Companies Act 2016, companies with financial year ending 31 December would need to issue their AR by 30 April and thereafter hold their AGMs before 30 June. As such, it is a norm for companies to hold their AGMs either in May or June. It is beyond our control for such clashes to happen as there are so many public listed companies.

A2: Tan Sri Chairman

Point taken and we take note of your concern. We will take into consideration your suggestion and see how we can address it.

15.4 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-Seventh AGM.

16. 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.

17. POLLING AND ANNOUNCEMENT OF POLL RESULTS

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

17.2 Conduct of the poll by Symphony Share Registrars Sdn Bhd proceeded for all the proposed Resolutions.

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

ACTION

Ordinary Resolution	VOTED FOR		VOTED AGAINST		RESULTS
	NO. OF SHARES	%	NO. OF SHARES	%	
Resolution 1: To approve the payment of Directors' fees of RM1,080,000 in respect of financial year ended 31 December 2017.	830,946,863	99.9986	12,000	0.0014	CARRIED
Resolution 2: To approve the payment of meeting allowance to the Chairman and members of the Board member/Board Committees of RM1,600 and RM1,000 respectively for their attendance at each meeting from 15 May 2018 until the conclusion of the next AGM	830,946,863	99.9986	12,000	0.0014	CARRIED
Resolution 3: To re-elect Mr. Soong Chee Keong, who is retiring pursuant to Article 80 of the Constitution of the Company and being eligible, has offered himself for re-election.	839,150,963	100	0	0	CARRIED
Resolution 4: To re-elect Dato' Sri Amrin Bin Awaluddin, who is retiring pursuant to Article 80 of the Constitution of the Company and being eligible, has offered himself for re-election.	839,150,963	100	0	0	CARRIED
Resolution 5: To re-elect Mr. Lim Chin Sean, who is retiring pursuant to Article 80 of the Constitution of the Company and being eligible, has offered himself for re-election.	838,902,913	99.9704	248,050	0.0296	CARRIED
Resolution 6: To re-appoint 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.	794,678,563	94.6374	45,030,300	5.3626	CARRIED
Resolution 7: Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	834,255,913	99.3506	5,452,950	0.6494	CARRIED
Resolution 8: Proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	234,952,863	99.9991	2,000	0.0009	CARRIED
Special Resolution: Proposed adoption of new Constitution of the Company.	839,706,863	99.9998	2,000	0.0002	CARRIED

18. CLOSURE OF MEETING

There being no further business, the Twenty-Seventh AGM of the Company was declared closed at 12.30 p.m. with a vote of thanks to the Chair.

Date : 15 May 2018

READ AND CONFIRMED BY

CHAIRMAN