

**MALAKOFF CORPORATION BERHAD**  
(Company No. 731568-V)

**MINUTES OF ELEVENTH ANNUAL GENERAL MEETING (“11<sup>TH</sup> AGM”) OF  
MALAKOFF CORPORATION BERHAD (“MCB” OR “MALAKOFF” OR “THE  
COMPANY”) HELD AT THE MAHKOTA II, HOTEL ISTANA, 73, JALAN  
RAJA CHULAN, 50200 KUALA LUMPUR ON WEDNESDAY, 19 APRIL 2017  
AT 10.45 A.M.**

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**PRESENT**

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

**IN ATTENDANCE**

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

**SHAREHOLDERS PRESENT**

As per the attendance list (Total: 625 representing 8,416,048 Ordinary shares (“Malakoff Shares”))

## **PROXIES PRESENT**

As per the attendance list (Total: 359 representing 3,522,078,849 Malakoff Shares of which 684,034,926 Malakoff Shares represented by Chairman)

## **INVITEES PRESENT**

As per Attendance List as attached.

## **AUDITORS PRESENT**

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

## **POLLING AGENT PRESENT**

Boardroom Corporate Services (KL) Sdn Bhd

## **SCRUTINEER PRESENT**

Boardroom Business Solution Sdn Bhd

### **1. CHAIRMAN**

Y.A.M Tan Sri Dato' Seri Syed Anwar Jamalullail chaired the 11<sup>th</sup> AGM of the Company.

### **2. QUORUM**

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

### **3. PRELIMINARY**

The Chairman welcomed all shareholders and proxies attending the 11<sup>th</sup> AGM, fellow members of the Board of Directors (“**Board**”), members of the management team of MCB and invited guests. He informed that the AGM was the second AGM since the Company’s listing on the Main Board of Bursa Malaysia Securities Berhad in May 2015.

Before he proceeded further, he apologized to all those who were present for the delay in the commencement of the AGM by about 15 minutes due to the overwhelming attendance of over 1,000 attendees compared to the previous year's turnout of 781 attendees. The Company had only prepared the registration counters based on last year's numbers with some buffer.

The Chairman then introduced each and every member of the Board who were in attendance as well as the Secretary who was in attendance.

The Chairman then briefly shared with the shareholders on the performance of the Group in the financial year 2016 (“**FY2016**”), the key highlights which occurred during the past one year and the summary of the Chairman's Statement published in the Annual Report 2016 (“**AR2016**”).

#### **4. PRESENTATION BY GROUP MANAGING DIRECTOR (“GMD”)**

After his presentation, the Chairman then passed the meeting to Datuk Wira Azhar bin Abdul Hamid, the Group Managing Director of MCB, who gave a brief presentation on the management discussion and analysis of the Group to the meeting which covered the following areas:-

- Financial performance
- Business segment and Operations review
  - i) Domestic Power Generation
  - ii) International Assets
  - iii) Operation and Maintenance
  - iv) Electricity Distribution and Chilled Water Supply
- Outlook and prospects
- Summary of strategies

#### **5. RESPONSES TO MINORITY SHAREHOLDER WATCHDOG GROUP'S (“MSWG”) QUERIES VIA THEIR LETTER DATED 14 APRIL 2017 (READ BY THE GMD)**

Datuk Wira Azhar, the GMD of MCB, informed the meeting that MSWG had forwarded questions to the Company and that the Company had accordingly responded to the questions raised in their letter dated 14 April 2017. A copy of the said MSWG's letter together with MCB's written reply have been attached hereto as **Appendix 1**. He then briefed the meeting on the questions posed by MSWG and the Company's responses to the questions raised in the said MSWG's letter.

The Chairman thanked the GMD of MCB for his presentation and before proceeding to the agenda of the meeting, the Chairman then announced the

closure of the registration of members/proxies for attending the 11<sup>th</sup> Annual General Meeting of MCB at 11.35 a.m.

## **6. NOTICE CONVENING THE MEETING**

The Chairman then proceeded with the notice convening the meeting found on pages 259 to 262 of the AR2016 was taken as read.

The Chairman informed that the AGM was the principal forum for dialogue with all shareholders, therefore, they were encouraged to enquire about the Group's activities. He and his fellow colleagues were present at the AGM to provide clarification to any questions with regard to the Agenda and the 8 resolutions tabled at the general meeting.

The shareholders, proxies and corporate representatives were requested to introduce themselves and provide their relevant details when coming forward to ask questions as well as when proposing a motion or resolution. For the AGM, only a proposer was required to move the motion or resolution as there was no legal requirement for a proposed resolution to be seconded before it could be moved for voting.

The Chairman informed that in accordance with the requirements of Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the power vested in him as the Chairman of the meeting pursuant to the Company's Articles of Association, all motions to be tabled on that day would be voted by way of poll.

Boardroom Corporate Services (KL) Sdn Bhd had been appointed as the Polling Administrator whilst Boardroom Business Solution Sdn Bhd had been appointed as the Scrutineer. The poll voting would be conducted electronically using a wireless handset. A representative from the Polling Administrator, Boardroom Corporate Services (KL) Sdn Bhd, was then requested to explain the process of the poll voting and the usage of the handsets that were distributed to the shareholders, proxies and corporate representatives.

After the presentation by the Polling Administrator, the Chairman placed on record that a number of shareholders had appointed him as their proxy and he would vote according to their instructions as the meeting considered each resolution.

## **7. AGENDA 1 TO DISCUSS THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 ("FY2016") AND THE DIRECTORS' REPORT AND AUDITORS' REPORT**

The Chairman explained that the Audited Financial Statements for the FY2016 tabled under Agenda 1 were only for discussion, as it did not require the formal

approval of shareholders under the provisions of Section 340(1) of the Companies Act, 2016 and the Company's Articles of Association and hence, the matter would not be put forward for voting.

The Chairman further informed that pursuant to the new requirements under International Standards on Auditing (ISA) 701, Communicating Key Audit Matters in the Independent Auditor's Report, the Company's external auditors, KPMG PLT, was required to disclose the key audit matters to the audited financial statements ("AFS") in the auditor's report. He then invited Encik Muhammad Azman bin Che Ani, the partner from KPMG PLT who was in charge for the statutory audit of the financial statements of the Group for FY2016, to present the key audit matters in the Auditors' Report of the Company.

After the presentation of the key audit matters by KPMG PLT, the Chairman opened the floor for questions on the AFS for FY2016. The questions raised by the shareholders and proxies were responded by the management and the Board as follows:-

**Question 1 (by Ms. Lya Rahman, a shareholder of the Company)**

Ms. Lya Rahman, a corporate representative of MSWG noted on the Company's response on the time requirement (either 24 hours or 48 hours) to lodge the proxy form pursuant to the Section 334(3) of the Companies Act 2016, a governance question posted by MSWG to the Company via their letter dated 14 April 2017. She informed that response of the Company was in line with the recent clarification officially released by Companies Commission Malaysia ("CCM") due to the industry pressure for CCM's guidance on the time requirement of the lodgment of the proxy forms for an AGM.

Ms. Lya Rahman had also enquired on the ratio of gender diversity in the Board composition of the Company. She noticed that only one female director was a part of the eleven (11) directors consisting of one (1) executive director ("ED"), five (5) non-EDs ("NED") and four (4) independent non-executive directors ("ID"). She had proposed for the Company to have more female directors and preferably as independent directors.

Ms. Lya Rahman had also sought for clarification on the announcement made by the Company on 16 February 2017 with pertained to the withdrawal of DRB-HICOM Environmental Services Sdn Bhd ("DHES") from being the Company's consortium partner in the solar photovoltaic plant project ("Solar Project") and enquired whether the Company would continue with the Solar Project and its plans on the Solar Project moving forward.

The Chairman informed that the Articles of Association of the Company had allowed up a maximum of twelve (12) directors on its board. Currently, there were eleven (11) existing directors sitting on the Board of the Company with one vacancy left. He noted on the gender diversity requirement that had required for at least 30% female directors to be appointed on the board of the Company but opined that it was more important that the Board comprised the right skill mix and

experience irrespective of gender on the Board. It had been a challenge for the Company to source for a female director who could fit the requirements of the Company but assured the shareholders that the Company would recruit a female director who was capable and of good quality on the Board of the Company if such candidate could be found.

On the Solar Project, the Chairman explained that the bid submitted by Malakoff was in collaboration with DRB-HICOM Berhad (“**DRB-HICOM**”), the ultimate holding company of DHES, as the co-developer and land owner of the proposed project site. However, after accepting the conditional letter of award for the Solar Project, DRB-HICOM had decided to withdraw from the said partnership with the Company as it was no longer able to commit to lease the land site in Tanjung Malim for the duration of the Solar Project due to its ongoing corporate exercise. Notwithstanding the above, the Company was still looking for project opportunities in renewable energy within Malaysia.

**Question 2 (by Mr. Wan Heng Wah, a shareholder of the Company)**

Mr. Wan enquired whether the Company would be provided a second chance to secure the Solar Project given that the withdrawal was only due to issue of technicality i.e. location of the project site. He also enquired whether the Company had considered looking into expanding its renewable energy portfolio other than the existing Macarthur Wind Farm in Australia. As for the Group’s footprint outside Malaysia, he enquired whether the Company was vying to invest in a water desalination plant as part of Malakoff’s overseas assets. He also enquired on whether it was possible that the power plants of the first generation power purchase agreements (“**PPA**”) which technical performance had deteriorated over time and were less cost effective could be upgraded on expiry of their respective PPAs with the end objective of maximizing the Company’s profitability.

The GMD informed that after the withdrawal of DRB-HICOM from the Solar Project, the Company had informed the Energy Commission (“**EC**”) on the land site issue and made an appeal for the change of land site for the Solar Project from Tanjung Malim to another land site. However, the EC had rejected the appeal by the Company and had cited that it did not want to set a precedent by allowing the change in the location site to delay the finalisation of the solar PPA as well as the scheduled commercial operations of the Solar Project. He assured that the Company had been continually pursuing solar and renewable energy project opportunities elsewhere. He also added that the Company was very pleased with Malakoff’s investment in Macarthur Wind Farm in Australia and was keen of pursuing more of such similar investments in the future.

On the possibility of upgrading the Company’s first generation power plants, the GMD informed that from the management’s perspective, the Group’s PPAs had a finite life. In order to maximize profitability from the power plants, the efficiency of the power plants must be managed. This could be done by ensuring that capital expenditure spending was maximized without any wastage. He cited that for the

SEV power plant which was now operating under into its new PPA (extension for another 10 years-from its original concession) had carried out the necessary operations and maintenance works to ensure the plant could achieve its maximum efficiency.

**Question 3 (by Mr. Khvairul Hadzrizal bin Mahadzir, a shareholder of the Company)**

Mr. Khyairul had requested for the list of projects in which Malakoff was evaluating in fulfilling its business plans of expanding its effective power generation capacity to 10,000 MW and effective water production capacity by about 50% by 2020 at a time where the Ringgit had weakened to its lowest level against the USD. This would be risky affair coupled with limited opportunities in renewable energy. He further enquired whether the coal price for the Tanjung Bin power plant was hedged.

Mr. Khyairul also drew the attention of the meeting to Page 130 (Statement of Cash flow) of the AR2016 where it was disclosed in the Company's AFS that the interest paid on the Group's borrowings during FY2016 was RM0.7 billion. This interest amount had reduced the ability of the Company to declare higher dividends. He had then enquired whether the dividend payment of RM350 million could be sustained until 2020 if the Company failed to secure any projects within the next three years.

The Chairman responded that the GMD had earlier explained in his presentation that there were domestic opportunities of 10,000 MW to be issued /tendered out by the government. In this respect, the Company was doing its best to prove to the Government of Malaysia that the Company had the capacity to deliver such projects and hence secure more local projects for the growth of the Company.

The GMD added that the Company was always looking for value creation in all of its investments. In the Company's strive to bring positive impact to the balance sheet and profit and loss statements of the Company, whilst competing in a competitive landscape, the management's strategy was to focus on securing brownfield and greenfield acquisitions. The Company would optimize on the Group's investment initiatives so that focus would be to adding on new value to the Group's existing portfolios. As for domestic opportunities, the Group had been aggressively pursuing opportunities with the government for the Group's domestic expansion and at the international front, Malakoff was leveraging on its position and track records in the ASEAN and MENA regions for future growth opportunities. The Group had also opened up its horizon of investments to business diversification into related business sectors as the Board had taken cognizance that the Company could no longer rely on the existing PPAs of the Group for sustainability of its profitability.

On the question of hedging of coal price at the Tanjung Bin power plant, the GMD informed that since the price of coal was a pass-through cost to the Tanjung Bin power plant, there would be no financial impact to the Company whether the coal price was hedged or otherwise. Nevertheless, the coal supplier, TNB Fuel

Services Sdn Bhd and the Company's operation team meet on a regular basis to ensure the coal price was optimized consistently.

With regard to the sustainability of dividend payment for the next three years, the GMD assured that the management was well aware on the importance of dividend payment to the shareholders of the Company. Therefore, the management had always prioritized dividend payment by ensuring that the Group would deliver and was accountable in delivering the expected financial results to its shareholders.

**Question 4 (by Mr. Ng Shu Tsung, a shareholder of the Company)**

Mr. Ng drew the attention of the Board to Note 24 (Finance cost) found on page 200 and Note 17 (Loan and Borrowings) found on page 190 of the AR2016. Under Note 24, he enquired on the reasons for the capitalization of qualifying assets for property, plant and equipment under the finance cost of approximately RM300 million in FY2015 and RM74 million in FY2016 instead of being expensed-off. He also enquired whether the Company had recognised foreign exchange (“**FOREX**”) translation losses in the current loans and borrowings which stood at RM1.9 billion on Page 190.

He also enquired on the poor performance of the Company's share price which had dropped from its initial public offering (“**IPO**”) price of RM1.80 to RM1.10 with earnings per share (“**EPS**”) of 7 sen. The Company's share price should have performed better premised on the current EPS and the prevailing P/E ratio stated in the prospectus. Mr. Ng had also enquired on the major challenges that occurred in the current and previous years which had attributed to the drop in the earnings of the Company.

The Chairman replied that the Company shared the same disappointment with the shareholders on the significant drop in share price as it was not reflective of the Company's performance. The fluctuation of the share price was beyond the Company's control. Nevertheless, the Company had recorded better dividend yield in FY2016 compared to the previous year. The GMD further explained that the Company's financial performance was mainly affected by the accelerated depreciation arising from the reassessment of the residual values of the Group's gas power plants as explained earlier in the management discussion and analysis presentation.

There were good prospects especially in the international arena although the Company was faced with challenges of stiff and aggressive competition for new assets that would contribute positively to the Group's international portfolio. Apart from growth of the business, the Company must be able to manage the business effectively and efficiently. This had meant that the Company must adopt a zero defect culture and all wastages must be minimized. On the share performance of the Company, he assured the shareholders that all efforts were focused towards achieving better financial and operational performance of the Company.



The GMD then addressed Mr. Ng's query that the FOREX exposure on the Group's borrowings was not significant as these foreign borrowings had been hedged by the appropriate hedging instruments.

**Question 5 (by Mr. Lim Pin Yeong, a shareholder of the Company)**

Mr. Lim enquired on the Company's plan to reduce the high gearing at the Group level which finance cost per annum was RM1 billion and also whether the Company was able to cover the installments for the above finance cost. He had also enquired on the reason for the increase in "Other Investments" stated on Page 130 (Statements of Cash Flows) of the AR2016 and requested for the details of "Other Investments". He also drew the attention of the Board to Note 34 (Contingencies – Contingent Asset) found on page 230 of AR2016 and enquired for the latest update of the litigation action initiated by Tanjung Bin Power Sdn Bhd ("TBP") and the prospects of the Company in winning the litigation case.

On the gearing question, the GMD responded that as the Group was involved in a capital intensive business, the gearing level registered by the Group was at normal levels compared to its peers. The investment of the Company in such infrastructure projects were at an agreed debt to equity ratio and comprised project financing debts which mainly did not have recourse to the Company. These projects were subject to heavy scrutiny and evaluation before each project was invested by the Company.

The GMD informed the litigation action initiated by TBP against IHI Corporation, Japan, ISHI Power Sdn Bhd and IHI Power System (M) Sdn Bhd, the boiler manufacturer for TBP, where the main suit was fixed for final case management on 16 March 2017 for parties to finalise the agreed term of the court-mandated arbitration. He further informed that it was still pending the outcome of final case management to proceed with the court-mandated arbitration. The Company was confident that it has a strong case against the defendants, however, this would dependent largely on the Court's final decision.

As for the increase in "other investments" in the Company's Statement of Cash Flow, the GMD explained that this figure primarily consist of the placement of fixed deposits of the Group with a longer maturity term of more than three (3) months classified as "other investment" as per the By-Laws of the Malaysian Institute of Accountants.

**Question 6 (by Mr. Phang Ah Kow, a shareholder of the Company)**

Mr. Phang said that since the revenue received by the Company from its offshore investments in the independent water and power plants was in foreign currency, he enquired on the advantages with regard to the favourable foreign exchange rate to the Company. He also enquired on the capital expenditure ("CAPEX") of the Group planned for 2017.

The GMD responded that for the CAPEX of the Group for 2017, the Company had planned to spend RM559 million for the Group's O&M initiatives to carry

out C-inspection at the Group's power plants in order to maintain and sustain the efficiency of its power plants and also for the extension of jetty at Tanjung Bin power plant to increase the capacity of the coal unloading jetty.

With regards to the revenue (in the form of dividend payment) received by the Company from its offshore investments, he informed that the Company generally match the currency in which the funding was required with the currency of the revenues generated for repayment and thus creating a natural hedge which would minimize any loss in FOREX translation.

As there were no further questions from the floor, the Chairman declared that the AFS of the Company for the financial year ended 31 December 2016 and the Directors' Report and Auditors' Report thereon duly tabled and received at the 11th AGM.

**8. AGENDA 2 – ORDINARY RESOLUTION 1  
PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 3.5 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

For **Resolution 1**, the Chairman informed the shareholders/proxies that subject to the approval of the shareholders at this meeting, the final dividend was to be paid to shareholders on 23 May 2017. The entitlement date for the said dividend shall be 5 May 2017 before 4.00 pm.

The following motion on the declaration of final dividend tabled at the meeting was proposed by Madam Loke Swan Yen.

*“THAT the final single-tier dividend of 3.5 sen per share for the financial year ended 31 December 2016 be and is hereby approved.”*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.99% and AGAINST was 0.01%.

The Chairman declared the resolution for the final single-tier dividend of 3.5 sen per share for the financial year ended 31 December 2016 be and is hereby approved.

**9. AGENDA 3 - ORDINARY RESOLUTION 2  
RE-ELECTION OF DATUK MUHAMAD NOOR HAMID RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

*(Under the explanatory note 4 of the Notice of AGM dated 28 March 2017, any of the Directors who is a shareholder of the Company shall abstain from voting on the resolution in respect of his re-election at the 11<sup>th</sup> AGM. As Datuk Muhamad*

*Noor held 321,200 ordinary shares in the Company he had hence had abstained from voting on this resolution)*

The Chairman confirmed that Datuk Muhamad Noor Hamid has indicated his willingness to be re-elected.

The following **Resolution 2** on the re-election of Datuk Muhamad Noor Hamid tabled at the meeting was proposed by Ir. Mohd Ismail Che Mat Din.

*“THAT Datuk Muhamad Noor Hamid, who retires in accordance with Article 105 of the Company’s Articles of Association, be and is hereby re-elected as the Director of the Company.”*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.49% and AGAINST was 0.51%.

The Chairman declared the resolution on the re-election of Datuk Muhamad Noor Hamid as Director of the Company in accordance with Article 105 of the Company’s Articles of Association be and is hereby approved.

**10. AGENDA 3 - ORDINARY RESOLUTION 3  
RE-ELECTION OF TAN SRI DATO’ SERI ALAUDDIN DATO’ MD  
SHERIFF ABDULLAH RETIRES AS DIRECTOR IN ACCORDANCE  
WITH ARTICLE 105 OF THE COMPANY’S ARTICLES OF  
ASSOCIATION**

The Chairman confirmed that Tan Sri Dato’ Seri Alauddin Dato’ Md Sheriff has indicated his willingness to be re-elected.

The following **Resolution 3** on the re-election of Tan Sri Dato’ Seri Alauddin Dato’ Md Sheriff tabled at the Meeting was proposed by Madam Loke Swan Yen.

*“THAT Tan Sri Dato’ Seri Alauddin Dato’ Md Sheriff, who retires in accordance with Article 105 of the Company’s Articles of Association, be and is hereby re-elected as the Director of the Company.”*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.99% and AGAINST was 0.01%.

The Chairman declared the resolution on the re-election of Tan Sri Dato’ Seri Alauddin Dato’ Md Sheriff as Director of the Company in accordance with Article 105 of the Company’s Articles of Association be and is hereby approved.

**11. AGENDA 3 - ORDINARY RESOLUTION 4  
RE-ELECTION OF DATUK OOI TEIK HUAT RETIRES AS DIRECTOR  
IN ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S  
ARTICLES OF ASSOCIATION**

*(Under the explanatory note 4 of the Notice of AGM dated 28 March 2017, any of the Directors who is a shareholder of the Company shall abstain from voting on the resolution in respect of his re-election at the 11<sup>th</sup> AGM. As Datuk Ooi Teik Huat held 420,000 ordinary shares in the Company he had hence abstained from voting on this resolution)*

The Chairman confirmed that Datuk Ooi Teik Huat has indicated his willingness to be re-elected.

The following **Resolution 4** on the re-election of Datuk Ooi Teik Huat tabled at the meeting was proposed by Mr. Mohd Shahar Yope.

*“THAT Datuk Ooi Teik Huat, who retires in accordance with Article 105 of the Company's Articles of Association, be and is hereby re-elected as the Director of the Company.”*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.49% and AGAINST was 0.51%.

The Chairman declared the motion on the re-election of Datuk Ooi Teik Huat as Director of the Company in accordance with Article 105 of the Company's Articles of Association be and is hereby approved.

**12. AGENDA 3 – ORDINARY RESOLUTION 5  
RE-ELECTION OF DATO' WAN KAMARUZAMAN WAN AHMAD  
RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF  
THE COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman confirmed that Dato' Wan Kamaruzaman Wan Ahmad has indicated his willingness to be re-elected.

The following **Resolution 5** on the re-election of Dato' Wan Kamaruzaman Wan Ahmad tabled at the meeting was proposed by Mr. Koay Chew Bin.

*“THAT Dato' Wan Kamaruzaman Wan Ahmad, who retires in accordance with Article 105 of the Company's Articles of Association, be and is hereby re-elected as the Director of the Company.”*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.49% and AGAINST was 0.51%.

The Chairman declared the motion on the re-election of Dato' Wan Kamaruzaman Wan Ahmad as Director of the Company in accordance with Article 105 of the Company's Articles of Association be and is hereby approved.

**13. AGENDA 4 - ORDINARY RESOLUTION 6  
PAYMENT OF DIRECTORS' FEES OF RM1,165,403.00 TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The following **Resolution 6** on the payment of Directors' fees of RM1,165,403.00 to the Non-Executive Directors for the financial year ended 31 December 2016 tabled at the meeting was proposed by Mr. Phang Ah Kow.

*"That the payment of Directors' fees of RM1,165,403.00 to the Non-Executive Director for the financial year ended 31 December 2016 be and is hereby approved."*

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.98% and AGAINST was 0.02%.

The Chairman declared the motion on the payment of Directors' fees of RM1,165,403.00 to the Non-Executive Directors for the financial year ended 31 December 2016 be and is hereby approved.

**14. AGENDA 5 - ORDINARY RESOLUTION 7  
PAYMENT OF DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES AND BOARD COMMITTEE FEES) AT THE CAPPING AMOUNT OF RM1,110,000 TO THE NON-EXECUTIVE DIRECTORS ("NED") FROM 31 JANUARY 2017 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY**

*(Under the explanatory note 4 of the Notice of AGM dated 28 March 2017, the NEDs who are shareholders of the Company shall abstain from voting on the resolutions concerning remuneration to the NEDs at the 11<sup>th</sup> AGM. )*

*Therefore, the following NEDs who held shares in the Company had abstained from voting on this resolution:-*

- *Tan Sri Dato' Seri Syed Anwar Jamalullail held 290,000 ordinary shares;*
- *Dato' Sri Che Khalib Mohamad Noh held 420,000 ordinary shares;*
- *Datuk Muhamad Noor Hamid held 321,200 ordinary shares;*
- *Datuk Ooi Teik Huat held 420,000 ordinary shares;*
- *Datuk Idris Abdullah held 290,000 ordinary shares; and*
- *Datuk Dr. Syed Muhamad Syed Abdul Kadir held 150,000 ordinary shares)*

Before proceeding to move the motion for Resolution 7, the Chairman explained that under Section 230(1) of new Companies Act 2016 which had recently came

into effect on 31 January 2017, it had provided for amongst others, that “the fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries should be approved at a general meeting.

In light of the new section above, Resolution 7 had been tabled at the AGM to seek the approval of the shareholders for payment of Directors’ remuneration (excluding Directors’ fees and Board committee fees) at the capping amount of RM1,110,000 to the NEDs from 31 January 2017 until the conclusion of the next AGM of the Company.

As explained under Explanatory Note 3 of the Notice of AGM, the proposed resolution 7, if passed, would allow the payment of the Directors’ remuneration to the NEDs comprising meeting allowances for the Board and Board committees, annual leave passage and annual supplemental fees including benefits in kind to the Non-Executive Chairman of the Company as and when it is incurred from 31 January 2017 up to the next AGM, a period of 15 months.

As the Chairman of the Board Nomination and Remuneration Committee (“**BNRC**”) of the Board, the Chairman informed that since this was the first time such resolution was put forth to shareholders for its approval, he briefed the meeting on the directors’ remuneration policy and procedures adopted by the Company for its NEDs.

The Chairman then explained that the said capping amount of RM1,100,000 as set out in Resolution 7 was derived for a period from 31 January 2017 until the next AGM in 2018. Therefore, the amount that was being sought for was for a period of about 15 months.

This amount was computed taking into account several factors, for example:-

- There are ten (10) NEDs on the Board (in view of the maximum Board size of twelve (12)).
- The benefits provided to the Chairman and the rest of the NEDs were to facilitate them in carrying out their duties (for example travelling and benefits in kind approved to be paid to them)
- The Board had a total of four (4) Board committees, each of which was operating within their respective defined terms of reference to assist the Board in discharging its responsibilities.
- The number of scheduled meetings in 2017 for the Board and its Board Committees.

A total of forty-eight (48) meetings had been scheduled in 2017 over a period of fifteen (15) months which entailed as follows:-

- Board of Directors – sixteen (16) meetings / ten (10) NEDs
- Board Audit Committee – ten (10) meetings / four (4) members
- BNRC – eight (8) meetings / four (4) members

- Board Risk and Investment Committee – eight (8) meetings / four (4) members
- Board Procurement Committee – six (6) meetings / four (4) members

These estimations were based on a total of thirty-three (33) meetings held in FY2016 as well as the forecast of meetings to be held from between January 2017 up to end April 2018.

He added that it was crucial for the Company to ensure its Directors were remunerated at an appropriate level, to commensurate with their responsibilities, commitment and contribution. In view of this, Malakoff was seeking shareholders' approval for the Directors' remuneration (excluding Directors' fees and Board committee fees) to the NEDs of the Company which would be paid on a monthly basis or as and when the Directors had rendered or performed their services to discharge their responsibilities throughout 2017 and until the next AGM in 2018.

Before moving the motion, the Chairman opened the floor for any questions on resolution 7.

**Question 1 (by Mr. Ng Shu Tsung, a shareholder of the Company)**

Mr. Ng enquired whether the capped amount of RM1.1 million for NEDs' remuneration could be reduced since the remuneration paid to the executive director was already quite high which was at RM1 million.

The Chairman explained that from his experience as Chairman of numerous public listed companies (“PLC”), the remuneration paid by the Company for NEDs was comparable with other public listed companies and was in fact below market. As for the remuneration received by him from the Company, it is comparable to one other PLC and below PLC in which he is presently chairman. He also added that it was not easy for the Company to find good quality directors that could give his/her time commitment towards the Company. As for him, it was his policy to maintain only three (3) directorships at one time due to time commitment and to focus on creating value in these companies over the period of his directorships. Hence, given the reasons as mentioned thereof, the remuneration paid to him was reasonable and justifiable.

As for the executive director's (“ED”) remuneration, the Chairman reasoned that his salary was comparable to the benchmark which was carried out by the Company. He informed that Datuk Wira Azhar, the GMD of the Company, was the most suitable and capable candidate to fill up the GMD's position. The Chairman informed that he had seen significant improvements in the Company's management after his appointment as the GMD. The Chairman then highlighted that the total amount of RM682,000 which was paid annually by three subsidiaries of the Company to Dato' Sri Che Khalib as chairman's allowance was since before the Company was listed. For this year going forward, the Chairman informed that he would deliberate this matter at the BNRC and would regularize the payment of such remuneration to him.

Ms. Lya Rahman, the corporate representative of MSWG, commended the Company for detailing the directors' fees, remuneration and benefits under the Corporate Governance Statement found on page 72 of the Company's AR2016. She said the disclosure promoted transparency on the fees paid to each of the directors for FY2016 thus MSWG was fully supportive of this resolution.

The following **Resolution 7** on the payment of Directors' remuneration (excluding Directors' fees and Board committee fees) at the capping amount of RM1,110,000 to the NEDs from 31 January 2017 until the conclusion of the next AGM of the Company tabled at the meeting was proposed by Madam Loke Swan Yen.

*“That payment of Directors’ remuneration (excluding Directors’ fees and Board committee fees) at the capping amount of RM1,110,000 to the Non-Executive Directors from 31 January 2017 until the conclusion of the next AGM of the Company be and is hereby approved.”*

Since there were no further questions, the motion was put to vote by poll. The Chairman announced the results that the percentage of vote FOR was 99.29% and AGAINST was 0.71%.

The Chairman declared the motion on the payment of Directors' remuneration (excluding Directors' fees and Board committee fees) at the capping amount of RM1,110,000 to the NEDs from 31 January 2017 until the conclusion of the next AGM of the Company be and is hereby approved.

**15. AGENDA 6 - ORDINARY RESOLUTION 8  
RE-APPOINTMENT OF KPMG PLT TO ACT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING (“AGM”)**

The following **Resolution 8** on the re-appointment of KPMG PLT tabled at the meeting was proposed by Madam Tan Phek Quan.

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

The motion was put to vote by poll and the Chairman announced the results that the percentage of vote FOR was 99.49% and AGAINST was 0.51%.

The Chairman declared the resolution on the re-appointment of KPMG PLT as Auditors of the Company until the conclusion of the next AGM be and is hereby approved.



**16. ANY OTHER BUSINESS**

The Chairman informed that the Company has not received any notice of any other business to be transacted at the 11<sup>th</sup> AGM.

**17. TERMINATION**

There being no further business, the meeting was declared closed at 1.00 p.m.

Confirmed as correct record,

Signed

.....  
CHAIRMAN

### Strategic and Financial Matters

1. The Group's results for the financial year ending 31 December 2017 would be affected by the expiry of the existing SEV PPA in June 2017 as the new SEV PPA stipulates lower levelised tariffs compared to the existing SEV PPA.

How would this be expected to impact the revenue and earnings of the Group for the financial year ending 31 December 2017, in terms of percentage?

#### Answer

*Assuming all other factors remain the same, the lower levelised tariff is expected to reduce the Group's total Revenue and Earnings Before Interest, Tax, Depreciation & Amortisation by 5% and 10% respectively, in the Financial Year Ending 31 December 2017.*

2. As disclosed in the Group Managing Director's Message and Management Discussion & Analysis on page 45 of the Annual Report, four (4) power plants namely SEV, GB3, Prai and Port Dickson recorded lower electricity sold in FY2016 as compared to FY2015. The shortfall was made good by power plants like Tanjung Bin and Tanjung Bin Energy that recorded higher electricity sold.
- (i) Could the Board provide the reason(s) for the lower sales recorded by SEV Power Plant and Port Dickson Power Plant for the financial year?

#### Answer

*Ninety percent (90%) of the Group's revenue is derived from Power which comprises mainly of Capacity Income and Energy Payment. **Energy Payment** is dependent on the **total electricity sold** to Tenaga Nasional Berhad ("TNB"), which in turn, is subject to TNB's daily demand and dispatch level set by the Grid System Operator ("GSO").*

*The lower electricity sold recorded by SEV Power Plant is attributed to SEV receiving lower dispatch order from the GSO.*

*The lower electricity sold recorded by Port Dickson Power Plant is due to the plant's temporary shut-down in the month of February 2016 upon expiry of its Power Purchasing Agreement ("PPA") on [21 January 2016], and prior to the commencement of the new 3-year PPA in March 2016.*

- (ii) What measures have been taken to improve the sales of SEV Power Plant, GB3 Power Plant and Port Dickson Power Plant?

#### Answer

*The Power Generation revenue generated by all our power plants are derived from Capacity Income and Energy Payments, the terms for which is governed by the PPA of each respective power plant. Among the measures taken to ensure availability of our generation capacity, optimized operations and, in turn, no impairment to our revenue, the Group undertakes periodic scheduled maintenance and inspections as well as the implementation of international safety standards to minimize disruptions and outages.*

(iii) Is the Board expecting the sales to improve for the upcoming financial year end?

Answer

*The total revenue from Port Dickson Power and GB3 Power plants are expected to be sustained in 2017. The revenue from SEV Power Plant will see a reduction due to the expiry of the existing PPA and commencement of the 10-year PPA in mid-2017. In all cases, the level of electricity sold is subject to demand and the Grid System Operator.*

3. Malakoff Utilities Sdn Bhd ("MUSB") is exploring opportunities to extend its activities beyond KLSentral site.

(i) What was the contribution of MUSB to the Group's revenue and earnings for FY2016?

Answer

*The Group's revenue and earnings are predominantly contributed by Power Generation. MUSB's contribution is under the power distribution which is not significant to the total group revenue and earnings.*

(ii) Could the Board provide an update, if any, on MUSB's efforts to extend its activities beyond KLSentral?

Answer

*Among several initiatives to extend beyond KLSentral, MUSB is currently planning to acquire a Facility Management Company, a synergistic fit to MUSB's business, to provide a one stop center for Facility Management Solutions.*

4. In Note 34 page 229 of the Annual Report, the Group's liability arising from the penalty imposed by the Court on Almiyah Attilemcania ("AAS") was RM52.9 million. The Group recognized a provision of RM36.1 million during the financial year.

(i) Does the Board foresee further provision this year?

Answer

*No, we do not foresee further provision in 2017. As at 31 Dec 2016, we have fully provided for the potential loss up to the carrying value of our investment in AAS. The liability is capped at the cost of investment in the joint-venture of RM36.1 million.*

(ii) What is the likelihood of writing back the provision in the future?

Answer

*The provision related to the litigation faced by AAS in Algeria. Write-back of the provision in the future is subject to the favorable final outcome of the pending decision of the Supreme Court and future positive earnings from AAS.*

## Corporate Governance Matter

1. Section 334(3) of the Companies Act 2016 stated that in the case of a poll, the instrument appointing a proxy shall be deposited at the registered office of the Company not less than 24 hours before the time appointed for the taking of the poll. However, we noted that the Notes to the Notice AGM issued by the Company required the instrument appointing a proxy to be deposited at the Registered Office of the Company not less than 48 hours before the time set for the meeting.

Could the Board explain the discrepancy and were the proxy instruments lodged less than 48 hours but not less than 24 hours before the time set for the meeting be taken as valid?

### Answer

*Section 334(3) of the New Companies Act 2016 ("CA2016") provides that for a proxy to be valid, the proxy form must be deposited not less than 48 hours before the time for holding the meeting or adjourned meeting. It has also further provided that in the case of a poll, the proxy form must be deposited not less than 24 hours before the time appointed for the taking of the poll. The same clause has also been provided in the Articles of Association of Malakoff Corporation Berhad on the deposit of proxy form.*

*Hence, the notice of the AGM would specify the time for holding the AGM and when the AGM shall be held, whilst the time appointed for taking of the poll refers to the time to be fixed by the Chairman of the meeting for the purpose of taking the poll. When the notice of the meeting is given, it will not contain any specific time appointed for the taking of the poll since the time appointed for taking of the poll will only be decided by the Chairman of the meeting during the time when the resolutions are to be put to vote at the meeting, after due dealing with the business of the meeting.*

*It is also to be noted that if the Chairman of the meeting decides to hold a poll at a later time or date, that time fixed for the purpose of taking the poll does not constitute an adjournment of meeting, but is regarded as "mere enlargement" or "a continuation" of the AGM (Shaw v Tati Concessions Ltd [1913] 1 Ch. 292). The rules requiring proxies to be lodged before the time for holding the meeting or adjourned meeting do not apply to an "enlargement" or "a continuation" for members who wish to change proxies to cast the poll vote at the time appointed for the taking of the poll.*

*Hence, the words "or deposited... not less than 24 hours before the times appointed for the taking of the poll" per Section 334(4) CA 2016 abrogates the principle as set by the case of Shaw v Tati Concessions Ltd. by further providing that in the case of a poll (i.e. in the case where the Chairman has decided to hold the poll at a later time or date), further proxies may be deposited by members not less than 24 hours before the time of taking of the poll.*

*In summary, we are of the view that the rule relating to the time period for lodgement of valid proxy forms for attendance of a general meeting shall be the rule stating that the proxy form shall be deposited not less than 48 hours before the time for holding the meeting or adjourned meeting while the rule regarding "in the case of a poll" is applicable only where the poll is taken on a later time or date as decided by the Chairman of the meeting, which is not the case for this AGM.*

*The voting by poll for all resolutions tabled at the AGM is a new requirement pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and has been predetermined to be taken at this AGM. With the above understanding, the Company has only admitted proxy forms received not less than 48 hours before the time appointed for the AGM."*

