MALAKOFF CORPORATION BERHAD
(Company No. 731568-V)

MINUTES OF TWELFTH ANNUAL GENERAL MEETING ("12th AGM") OF MALAKOFF CORPORATION BERHAD ("MCB" OR "THE COMPANY") HELD AT THE MAHKOTA BALLROOM, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR ON WEDNESDAY, 26 APRIL 2018 AT 10.00 A.M.

PRESENT

1	Datuk Haji Hasni Harun ("Chairman")	*(Independent Non-Executive Chairman)*
2	Dato' Sri Che Khalib Mohamad Noh	*(Non-Independent Non-Executive Director)*
3	Puan Cindy Tan Ler Chin	*(Non-Independent Non-Executive Director)*
4	Datuk Ooi Teik Huat	*(Non-Independent Non-Executive Director)*
5	Datuk Idris Abdullah	*(Independent Non-Executive Director)*
6	Datuk Dr. Syed Muhamad Syed Abdul Kadir	*(Independent Non-Executive Director)*
7	Mr. Kohei Hirao	*(Non-Independent Non-Executive Director)*
8	Datuk Seri Johan Abdullah	*(Non-Independent Non-Executive Director)*
9	Datuk Rozimi Remeli	*(Independent Non-Executive Director)*
10	Encik Zalman Ismail	*(Alternate Director to Dato' Wan Kamaruzaman Wan Ahmad)*
11	Dato' Ahmad Fuaad Mohd Kenali	*(Chief Executive Officer)*

ABSENT WITH APOLOGIES

Dato' Wan Kamaruzaman bin Wan Ahmad	*(Non-Independent Non-Executive Director)*

IN ATTENDANCE

Ms. Yeoh Soo Mei	*(Company Secretary)*

SHAREHOLDERS PRESENT

As per the attendance list (Total: 881 representing 10,114,968 Ordinary shares ("Malakoff Shares"))

PROXIES PRESENT

As per the attendance list (Total: 684 representing 3,924,870,686 Malakoff Shares of which 161,662,377 Malakoff Shares represented by Chairman)

INVITEES PRESENT

As per Attendance List as attached.

AUDITORS PRESENT

Messrs KPMG
(represented by Mr. Chew Beng Hong & team)

POLLING AGENT PRESENT

Symphony Share Registrars Sdn Bhd

SCRUTINEER PRESENT

Symphony Corporatehouse Sdn Bhd

PROCEEDINGS OF MEETING

1. CHAIRMAN

YBhg. Datuk Haji Hasni Harun chaired the 12th AGM of the Company.

2. PRELIMINARY

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

The Chairman welcomed all shareholders and proxies who attended the 12th AGM, his fellow members on the Board of Directors ("**Board**"), members of MCB's senior management team and invited guests. The AGM was the third AGM since the Company's listing on the Main Board of Bursa Malaysia Securities Berhad in May 2015. Before proceeding with the agenda of the meeting, the Chairman informed that the Company had published a Notification of

Change to the Notice of Final Dividend due to the change of entitlement date for the Final Dividend in the New Straits Times newspaper on 19 April 2018.

He informed that the reason for the change in the dividend entitlement date from 11 May 2018 to 14 May 2018 was due to the declaration of 9 May 2018 as a public holiday in conjunction with the 14^{th} General Election. Following the change, the ex-date for the Final Dividend would be on 10 May 2018 instead of 9 May 2018. Notwithstanding the change, the payment date for the Final Dividend on 1 June 2018 would remain unchanged.

3. QUORUM

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

The Chairman then introduced each and every member of the Board as well as the senior management and advisors who were in attendance. He extended the apologies of Dato' Wan Kamaruzaman Wan Ahmad to shareholders for not being able to join the meeting as he was required to make a presentation of an important paper at a forum.

4. PRESENTATION BY CHIEF EXECUTIVE OFFICER ("CEO")

The Chairman then invited Dato' Ahmad Fuaad Mohd Kenali, the CEO of MCB, to give a brief presentation on the overview of the Company's performance for 2017, its achievements, strategy and prospects going forward. His presentation covered the following areas:

- Key Financial Highlights
- Operational Performance
- Sustainability and Growth
- Moving Forward

5. RESPONSES TO MINORITY SHAREHOLDER WATCHDOG GROUP'S ("MSWG") QUERIES IN ITS LETTER DATED 19 APRIL 2018 (READ OUT BY THE CEO)

Dato' Ahmad Fuaad, the CEO of MCB, informed the meeting that MSWG had through its letter dated 19 April 2018 raised a few questions to the Company and that the Company had accordingly responded to the questions prior to the meeting. He then briefed the meeting on the questions and the Company's response to the said questions.

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

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

6. NOTICE CONVENING THE MEETING

The Chairman then started with the notice convening the meeting stated on pages 251 to 256 of the Annual Report ("AR") 2017 which was taken as read.

The Chairman informed that the AGM was the principal forum for dialogue with all shareholders. He and his fellow colleagues were present at the AGM to provide clarifications to any questions in relation to the Agenda items and the 11 resolutions to be tabled at the meeting.

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

The Chairman further informed that in accordance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company's Constitution, all motions to be tabled that day would be voted by way of poll.

Symphony Share Registrar Sdn Bhd had been appointed as the Polling Administrator whilst Symphony Corporatehouse Sdn Bhd had been appointed as the Scrutineer.

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

7. AGENDA 1
TO DISCUSS THE AUDITED FINANCIAL STATEMENTS ("AFS") OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 ("FY2017") AND THE DIRECTORS' REPORT AND AUDITORS' REPORT

The Chairman explained that the AFS for the FY2017 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 Constitution and hence, the matter would *not* be put forward for voting.

The Chairman then opened the floor for questions on the AFS for FY2017. The key questions raised by the shareholders and proxies in relation to the AFS for

FY2017 were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

The Chairman declared that the AFS of the Company for the FY2017 and the Directors' Report and Auditors' Report thereon duly tabled and received at the 12th AGM.

8. <u>AGENDA 2 – ORDINARY RESOLUTION 1</u>
PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 3.7 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 1 June 2018. The entitlement date for the said dividend shall be 14 May 2018.

The following **Resolution 1** on the declaration of final dividend tabled at the meeting was proposed by Encik Mohd Nasri Abdul Rahim:-

"THAT the final single-tier dividend of 3.7 sen per share for the financial year ended 31 December 2017 be and is hereby approved."

The Chairman then opened the floor for questions on Resolution 1. The key questions raised by the shareholders and proxies were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

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

9. <u>AGENDA 3 - ORDINARY RESOLUTION 2</u>
RE-ELECTION OF DATO' SRI CHE KHALIB MOHAMAD NOH WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S CONSTITUTION

(Under the explanatory note 5 of the Notice of AGM dated 28 March 2018, 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 12th AGM. As Dato' Sri Che Khalib Mohamad Noh held 420,200 ordinary shares in the Company he had hence, abstained from voting on this resolution)

The Chairman confirmed that Dato' Sri Che Khalib Mohamad Noh has indicated his willingness to be re-elected.

The following **Resolution 2** on the re-election of Dato' Sri Che Khalib Mohamad Noh tabled at the meeting was proposed by Encik Mohd Nasri Abdul Rahim:-

"THAT Dato' Sri Che Khalib Mohamad Noh, who retires in accordance with Article 105 of the Company's Constitution, be and is hereby re-elected as the Director of the Company."

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

10. <u>AGENDA 3 - ORDINARY RESOLUTION 3</u>
RE-ELECTION OF MADAM TAN LER CHIN WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 105 OF THE COMPANY'S CONSTITUTION

The Chairman confirmed that Madam Tan Ler Chin has indicated her willingness to be re-elected.

The following **Resolution 3** on the re-election of Madam Tan Ler Chin tabled at the Meeting was proposed by Encik Mohd Shahar Yope:-

"THAT Madam Tan Ler Chin, who retires in accordance with Article 105 of the Company's Constitution, be and is hereby re-elected as the Director of the Company."

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

11. <u>AGENDA 4 - ORDINARY RESOLUTION 4</u>
RE-ELECTION OF DATUK HAJI HASNI HARUN WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY'S CONSTITUTION

At this juncture, the Chairman handed over the Chair to Datuk Dr. Syed Muhamad Syed Abd Kadir to proceed with Resolution 4 as the resolution was on his own re-election.

Datuk Dr. Syed Muhamad Syed Abd Kadir who took over as Chairman, confirmed that Datuk Haji Hasni Harun has indicated his willingness to be re-elected.

The following **Resolution 4** on the re-election of Datuk Haji Hasni Harun tabled at the meeting was proposed by Mr. Chee Sai Mun:-

"THAT Datuk Haji Hasni Harun, who retires in accordance with Article 111 of the Company's Constitution, be and is hereby re-elected as the Director of the Company."

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

Datuk Dr Syed Muhamad Syed Abd Kadir then handed over the Chair to Datuk Haji Hasni Harun to continue with the other resolutions of the Agenda of the meeting.

12. <u>AGENDA 4 – ORDINARY RESOLUTION 5</u>
RE-ELECTION OF DATUK SERI JOHAN ABDULLAH WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY'S CONSTITUTION

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

The following **Resolution 5** on the re-election of Datuk Seri Johan Abdullah tabled at the meeting was proposed by Encik Nisham @ Abu Bakar Ahmad:-

"THAT Datuk Seri Johan Abdullah, who retires in accordance with Article 111 of the Company's Constitution, be and is hereby re-elected as the Director of the Company."

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

13. <u>AGENDA 4 – ORDINARY RESOLUTION 6</u>
RE-ELECTION OF DATUK ROZIMI REMELI WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY'S CONSTITUTION

The Chairman confirmed that Datuk Rozimi Remeli has indicated his willingness to be re-elected.

The following **Resolution 6** on the re-election of Datuk Rozimi Remeli tabled at the meeting was proposed by Encik Noor Raniz Mat Nor:-

"THAT Datuk Rozimi Remeli, who retires in accordance with Article 111 of the Company's Constitution, be and is hereby re-elected as the Director of the Company."

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

14. AGENDA 5 - ORDINARY RESOLUTION 7

PAYMENT OF DIRECTORS' REMUNERATION TO THE NON-EXECUTIVE DIRECTORS OF RM1,571,146.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The following **Resolution 7** on the payment of Directors' remuneration to the Non-Executive Directors of RM1,571,146.00 for the FY2017 tabled at the meeting was proposed by Encik Muhammad Ashraf Abdul Jabar:-

"That the payment of Directors' remuneration to the Non- Executive Directors of RM1,571,146.00 for the financial year ended 31 December 2017 be and is hereby approved."

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

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

15. AGENDA 5 - ORDINARY RESOLUTION 8

PAYMENT OF SUBSIDIARIES' CHAIRMAN'S ALLOWANCES AND MEETING ALLOWANCES TOTALLING RM56,650 BY FOUR SUBSIDIARIES OF COMPANY FOR THE FY2017

The following **Resolution 8** on the payment of Subsidiaries' Chairman's allowances and meeting allowances totalling RM56,650 by four subsidiaries of the Company to a Non-Executive Director for the FY2017 tabled at the meeting was proposed by Madam Cheryl Rinai Kalip :-

"That the payment of Subsidiaries' Chairman's allowances and meeting allowances totalling RM56,650 by four subsidiaries of the Company to a Non-Executive Director for the FY2017 be and is hereby approved."

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

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

16. AGENDA 6 - ORDINARY RESOLUTION 9

PAYMENT OF THE DIRECTORS' FEES TO THE NON-EXECUTIVE DIRECTORS FROM 1 JANUARY 2018 UNTIL THE NEXT AGM OF THE COMPANY IN 2019 AND DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE

DIRECTORS FROM THE CONCLUSION OF THE 12th AGM UNTIL THE NEXT AGM OF THE COMPANY

(Under the Explanatory Note 5 of the Notice of AGM dated 28 March 2018, the NEDs who are shareholders of the Company shall abstain from voting on the resolutions concerning remuneration to the NEDs at the 12th AGM)

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

- *Dato' Sri Che Khalib Mohamad Noh held 420,000 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)*

As explained under Explanatory Note 3 of the Notice of AGM, the proposed resolution 9, if passed, would allow the payment of the following Directors' remuneration to the Non-Executive Directors on a monthly basis and/or, as-and-when incurred within the 2nd Relevant Period, where applicable, after the Non-Executive Directors have discharged their responsibilities and rendered their services to the Company:-

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

The Directors' remuneration set out in Resolution 9 was not increased from last year.

The following **Resolution 9** on the payment of the Directors' fees to the Non-Executive Directors from 1 January 2018 until the next AGM of the Company in 2019 and Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from the conclusion of the 12th AGM until the next AGM of the Company tabled at the meeting was proposed by Madam Koh Yee Leeng:-

"That the payment of the Directors' fees to the Non-Executive Directors from 1 January 2018 until the next AGM of the Company in 2019 and Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from the conclusion of the 12th AGM until the next AGM of the Company be and is hereby approved."

The Chairman then opened the floor for questions in relation to Resolution 9. The key questions raised by the shareholders and proxies in relation this agenda were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

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

17. <u>AGENDA 7 - ORDINARY RESOLUTION 10</u>
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 10** on the re-appointment of KPMG PLT tabled at the meeting was proposed by Mr. Hwang Tiong Yeong:-

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

The Chairman then opened the floor for questions in relation to Resolution 10. The key questions raised by the shareholders and proxies in relation to this agenda were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

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

18. <u>AGENDA 8 – SPECIAL RESOLUTION 11</u>
RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The Chairman explained that Resolution 11 under Agenda 8, would grant the Directors the authority to purchase the Company's own shares of up to 10% of its total number of issued shares subject to Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchases.

The details of the proposed renewal of authority for the Company to purchase its own shares were set out in the Share Buy-Back Statement to Shareholders dated 28 March 2018, was circulated together with the 2017 AR of the Company.

The following **Resolution 11** on the renewal of authority for the Company to purchase its own shares tabled at the meeting was proposed by Mr. Chee Sai Mun:-

"That the proposed renewal of authority for the Company to Purchase Its Own Shares be and is hereby approved."

The Chairman then opened the floor for questions on Resolution 11. The key questions raised by the shareholders and proxies in relation this agenda were addressed by the Board and Management as listed in **Appendix 2** attached hereto.

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

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

19. ANNOUNCEMENT OF RESULTS

The Chairman announced the results of the voting as follows:-

<u>Ordinary Resolution No. 1</u>

1) FOR was 99.996%; and
2) AGAINST was 0.003%.

<u>Ordinary Resolution No. 2</u>

1) FOR was 99.734%; and
2) AGAINST was 0.265%.

<u>Ordinary Resolution No. 3</u>

1) FOR was 99.752%; and
2) AGAINST was 0.248%.

<u>Ordinary Resolution No. 4</u>

1) FOR was 99.959%; and
2) AGAINST was 0.041%.

<u>Ordinary Resolution No. 5</u>

1) FOR was 99.771%; and
2) AGAINST was 0.229%.

Ordinary Resolution No. 6

1) FOR was 99.995%; and
2) AGAINST was 0.004%.

Ordinary Resolution No. 7

1) FOR was 99.994%; and
2) AGAINST was 0.005%.

Ordinary Resolution No. 8

1) FOR was 99.995%; and
2) AGAINST was 0.004%.

Ordinary Resolution No. 9

1) FOR was 85.733%; and
2) AGAINST was 14.266%.

Ordinary Resolution No. 10

1) FOR was 99.887%; and
2) AGAINST was 0.112%.

Special Resolution No. 11

1) FOR was 99.995%; and
2) AGAINST was 0.004%.

The Chairman declared that all the motions were duly passed and approved by the Shareholders of the Company at the 12th AGM.

20. ANY OTHER BUSINESS

The Chairman informed that the Company did not received any notice for "Any Other Business" to be transacted at the 12th AGM.

21. TERMINATION

There being no further business, the meeting was declared closed at 2.55 pm.

Confirmed as correct record,

signed

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CHAIRMAN

Appendix 1

Letter by MSWG for Malakoff's 12th AGM

MALAKOFF
A Member of MMC Group

MSWG

MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

19 April 2018

BY FAX/HAND
(Fax No: 603-2263 3333)

The Board of Directors
Malakoff Corporation Berhad
Level 12, Block 4, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur

Attention: ***Ms Yeoh Soo Mei / Cik Sharifah Ashtura Jamalullail Syed Osman***
Company Secretaries

RE: 12th Annual General Meeting of Malakoff Corporation Berhad ("Malakoff" or "the Company") to be held on 26 April 2018

In the interest of the minority shareholders and all other stakeholders of the Company, we would like to raise the following issues:

Strategic & Financial Matters

1. As stated on page 39 of the Annual Report, we noted that the Company had recently signed a Memorandum of Understanding with Touch Meccanica Sdn Bhd to explore potential collaboration to develop 7 small hydro sites and an integrated solar farm in the state of Pahang.

   (i) Could the Board provide the estimated cost of investment for this potential collaboration?

   (ii) What would be the estimated percentage of return on investment from this collaboration?

2. On page 42 of the Annual Report, we noted the low generation dispatch in 2017 from SEV and GB3 Power Plants with an average capacity factor of approximately 44.09% and 33.6%, respectively due to the commercial operations of newer and more efficient neighbouring power plants.

   (i) Could SEV and GB3 Power Plants remain competitive amidst the newer and more efficient neighbouring power plants?

   (ii) What is the Board's strategy to address the low generation dispatch of power from SEV and GB3 Power Plants, moving forward?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia • Company No: 524989-M)
Tingkat 11, Bangunan KWSP, No: 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.
Tel: (603) 2070 9090 Fax: (603) 2070 9107
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Content

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- Corporate Governance Matter(s)

STRATEGIC & FINANCIAL MATTERS

1. As stated on page 39 of the Annual Report, we noted that the Company had recently signed a Memorandum of Understanding with Touch Meccanica Sdn Bhd to explore potential collaboration to develop 7 small hydro sites and an integrated solar farm in the state of Pahang.

Question 1(i)

Could the Board provide the estimated cost of investment for this potential collaboration?

Answer 1(i)

The expected cost of investment is largely dependent on the outcome of the feasibility study and EPC cost. Since we are currently in the midst of carrying out the due diligence and pre-feasibility study, it is still too premature to estimate the cost of investment for these projects. However, as a reference, a typical small hydro project would normally cost between RM9 million and RM12 million per MW and approximately RM5 million per MW for a large scale solar project.

Strategic & Financial Matters (cont'd)

Question 1(ii)
What would be the estimated percentage of return on investment from this collaboration?

Answer 1(ii)
The projects are still subject to feasibility study. The Company will only embark on these projects if it meets the expected return on investment.

For the time being, our minimum hurdle rate is around 8% but subject to the level of risk for the investment.

Strategic & Financial Matters (cont'd)

2. On page 42 of the Annual Report, we noted the low generation dispatch in 2017 from SEV and GB3 Power Plants with an average capacity factor of approximately 44.09% and 33.6%, respectively due to the commercial operations of newer and more efficient neighbouring power plants.

Question 2(i)

Could SEV and GB3 Power Plants remain competitive amidst the newer and more efficient neighbouring power plants?

Answer 2(i)

Over the last 20 to 25 years, the gas turbine technology has improved tremendously in terms of efficiency. For example, the latest proven H class technology has significantly surpassed SEV's and GB3's gas turbine performance. In terms of efficiency, H class technology can now deliver a combined cycle efficiency of 63-64 % as compared to SEV and GB3 which have a combined cycle efficiency of 47-48%.

Strategic & Financial Matters (cont’d)

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Question 2(ii)
What is the Board's strategy to address the low generation dispatch of power from SEV and GB3 Power Plants, moving forward?

Answer 2(ii)
The dispatch of electricity depends on the sole discretion of the Grid System Operator (“GSO”) based on merit order i.e. the cost of electricity generation. Therefore, the dispatch is not under the control of SEV and GB3.

However, during the duration of the PPA, SEV and GB3 will continue to receive full capacity payment as long as the plant is available although its capacity is not required to be dispatched.

Strategic & Financial Matters (cont'd)

Question 2(iii)
What is the Board's expectation on the sale of power from SEV and GB3 Power Plants for the financial year ending 2018?

Answer 2(iii)
Based on the forecast, SEV and GB3 dispatch levels for the financial year ("FY") 2018 are 18% and 19% respectively, which are lower than the dispatch achieved in FY2017 of 44% and 34% respectively.

Strategic & Financial Matters (cont'd)

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3. In relation to the Material Contract disclosed on page 118 of the Annual Report, we noted that Tanjung Bin Power Sdn Bhd had on 4 August 2017 signed an agreement with the respective parties to resolve and settle the disputes between the parties for the boiler tube failure incidents.

<u>Question 3</u>
What is the current status and the amount of the settlement for the said disputes?

<u>Answer 3</u>
The Company had made announcement on the settlement of the dispute on 4 August 2017. The settlement amount has been fully received in the FY2017 and included in the "Other Income" of the income statement for FY2017. However, due to confidentiality provisions in the settlement agreement, we are unable to disclose the exact settlement amount.

4. We noted on page 197 of the Annual Report, revenue contribution from operation and maintenance fees decreased significantly from approximately RM36.41 million in FY2016 to approximately RM13.14 million in FY2017.

Question 4
Could the Board provide the reasons for the significant decrease in revenue contribution from operation and maintenance fees?

Answer 4
Operation and maintenance fees are mainly contributed by our subsidiaries in Kuwait and Indonesia. The reason for the significant decrease in revenue in FY2017 was due to early demobilisation of both sites in Kuwait and Indonesia, as part of the preparation for the expiration of the Operation & Maintenance Management Services (OMMS) Agreement for Kuwait in February 2018 and Indonesia in December 2018.

Strategic & Financial Matters (cont'd)

5. Under the geographical information stated on page 205 of the Annual Report, we noted that revenue contribution from Indonesia and the Middle East had decreased significantly by 69% and 60.9%, respectively as compared to the previous year.

<u>Question 5</u>
What were the reasons for the significant decrease in the amount of revenue?

<u>Answer 5</u>
This has been clarified in our reply to question 4 above.

CORPORATE GOVERNANCE MATTER(S)

Corporate Governance Matter(s)

MALAKOFF
A Member of MMC Group

1. Under the geographical information stated on page 205 of the Annual Report, we noted that revenue contribution from Indonesia and the Middle East had decreased significantly by 69% and 60.9%, respectively as compared to the previous year.

Question 1

Could the Board provide justification for the payment of annual leave passage & annual supplemental fees of RM25,000 per annum to the Non-Executive Directors?

Answer 1

The RM25,000 per annum benefits-in-kind, represents less than 30% of the Board fees for the Non-Executive Directors ("NEDs") of RM90,000 per annum. This is in line with market practice as disclosed by Aon Hewitt in its survey conducted in 2013.

Our practice is also consistent with the recent market study carried out by KPMG on "NEDs' Remuneration 2017", which states that NEDs typically receive benefits-in-kind such as company car and driver (for Board Chairman), and leave passage, insurance (medical, directors' and officers' liability) and club membership for all directors.

These benefits-in-kind have been part of the NEDs' remuneration package prior to listing of Malakoff in 2015. There have been no increase in these benefits-in-kind since then.

Corporate Governance Matter(s) (cont'd)

2. We noted the Board's explanation in the Corporate Governance Report on the departure of Practice 4.1 of the Malaysian Code on Corporate Governance ("MCCG") which requires Large Companies to have majority independent directors.

<u>Question 2</u>

However, we wish to highlight that under paragraph 3.2C (b) of Practice Note 9 of the Main Market Listing Requirements, Large Company must disclose the timeframe required to achieve the application of the Practice.

We hope the Board would take note of this.

Corporate Governance Matter(s) (cont'd)

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Answer 2

The Board acknowledges the recommendation under Practice 4.1 of the MCCG 2017 that suggests a "Large Company" to have majority independent directors ("IDs") on the Board, and will from time to time assess the need to appoint additional IDs to the Board.

As explained in the Corporate Governance Overview Statement ("CG Statement") shown on page 85 of the Annual Report, the Board is of the view that independent deliberation is upheld with the presence of the four (4) Independent Non-Executive Directors ("NEDs") at the Board together with three (3) nominees Directors of the Company's substantial shareholders which are statutory bodies managing funds belonging to the general public. The views and deliberations of these Board nominees are usually aligned to safeguard public interest and this had brought independence and objectivity to the Board deliberations.

Given the dynamics of Malakoff's Board composition, it had managed to garner independent views at the Board meetings from the majority of its Directors, that is, seven (7) out of ten (10) Directors, despite not meeting the required numbers in its expected form recommended by MCCG. As the current measure had to a certain extent met the intended outcome, the Board has not ascertained the timeline for having majority IDs on its Board for the time being.

Corporate Governance Matter(s) (cont'd)

MALAKOFF
A Member of MMC Group

3. Practice 4.5 of the MCCG requires the Board to disclose in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the Board must have at least 30% women directors. Currently, the Company has only one (1) woman director out of the total of 10 directors. We note that there was no disclosure of the Company's policies on gender diversity in the annual report and no timeframe committed to apply the Practice.

<u>Question 3</u>
Paragraph 3.2C of Practice Note 9 of the Main Market Listing Requirements requires the Company to disclose the timeframe required to achieve the application of a Practice if it departs from the Practice.

Please take note of the non-compliance with the above-mentioned Listing Requirements.

<u>Answer 3</u>
As explained in the CG Statement shown on page 87 of the Annual Report, the Board will consider the appointment of additional woman director when there is a casual vacancy and also as and when the right woman candidate who is able to complement the current Board composition and mix is identified.

END OF PRESENTATION

THANK YOU






MALAKOFF CORPORATION BERHAD ("MCB" OR "THE COMPANY")
TWELFTH ANNUAL GENERAL MEETING ("12th AGM") HELD ON 26 APRIL 2018

SUMMARY OF KEY MATTERS DISCUSSED AT THE 12TH AGM

	Key Matters Discussed	Response from the Directors/Management
	AGENDA 1 **TO DISCUSS THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 ("FY2017") AND THE DIRECTORS' REPORT AND AUDITORS' REPORT**	
1.	Puan Lya Rahman – representative of MSWG	
	(a) To explain the benefit of the Annual Supplemental fees of RM5,000 granted to the directors.	• The Annual Supplemental fees ("ASF") comprised reimbursement of purchases of peripherals such as computers, mobile phone, health equipment etc by directors.
	(b) What is the reason of payment for Datuk Idris Abdullah of RM50,000 instead of the RM25,000 stated in the "Benefit" column of the Annual Report 2017 ("AR2017") (Page 93 of AR2017)	• Datuk Idris was paid RM50,000 in respect of his claims for annual leave passage ("ALP") of RM20,000 per annum and ASF of RM5,000 per annum for the years 2016 and 2017, both were paid in 2017. These benefits were part of the directors' remuneration package even before the listing of MCB in 2015.
	(c) Observation in the list of Board attendance (on Page 82 of AR2017) where it was noted that Dato' Wan Kamaruzaman bin Wan Ahmad was absent for 4 Board meetings. He had attended 9 out 13 Board meetings which was less than 75% whilst his alternate attended two meetings on his behalf. To explain the reason for his alternate director not attending the other 2 Board meetings, in his absence.	• The Alternate Director of Dato' Wan Kamaruzaman had attended Board meetings of the Company in his stead as much as practicable.
	(d) The Board was to take note that Practice Note 9, paragraph 3(2)(a)(b) of the Main Market	• This was the first year in which Bursa Malaysia had imposed such requirement on PLCs. In view thereof, the Board had, after due deliberation, indicated an open timeframe for

	Key Matters Discussed	Response from the Directors/Management
	Listing Requirements ("MMLR") which had required that a listed issuer (or "PLC") defined as a Large Company under the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") must also disclose the following if it departs from a Practice: (a) the actions which it has taken or intends to take; and (b) the timeframe required, to achieve application of the Practice Note. Since MCB was a Large Company it should clearly state the time frame for practices that had departed from the Practice.	compliance with accompanying reasons for such indication in the AR2017. The Board would endeavour to comply with the 30% women directorship within a timeframe of 3 to 4 years.
2.	<u>Cheah Yew Boon – Shareholder</u> (a) To explain the level of efficiency of MCB's employees which had increased from 1,029 in 2015 to 1,035 employees for FY2017. This had contributed to higher human resource cost as stated in page 64 of the AR2017. This was compared to the declining trend of the PATMI for the above mentioned period.	• The total number of the Group's employees of 1,035 was justifiable compared to the size of the Group's operations, which covered both local and international operations. The Board was always mindful that an optimal level of staff must be maintained by the Group and this would be closely and continuously monitored.
	(b) In the Statement of Financial Position, "Other Investment" had amounted to RM2.6 billion for FY2017 (Page 125 of AR2017) with a corresponding cash outflow in the Statement of Cashflow. To provide explanation on the components included in this line item.	• Any placement of funds for a tenure of more than 3 months would be classified as "Other Investment". The Company had made placements for a longer tenure to enjoy higher interest rates so that the negative carry between the finance income and finance cost from the Group's borrowings could be reduced. The average interest yield of the Company's placements was about 4%.
	(c) As at 25 April 2018, the Company had purchased about 61 million of its own shares. To detail out the plans of the Company in	• The shares bought back were all retained as treasury shares. Under the provisions of the CA 2016, the Company might, amongst others cancel, sell or distribute the shares to the shareholders as dividends.

	Key Matters Discussed	Response from the Directors/Management
	respect of the said purchased shares and how it would meet the expectation of shareholders.	• The Company may appoint fund managers at the appropriate time to carry out a placement to sell the said treasury shares. However at this juncture, the shares would be held as treasury shares given the number of accumulated shares to date was still low (*equivalent to 1.2% of the issued share capital of the Company)*
	(d) The tax expenses for FY2017 amounted to RM77.0 million, representing an effective tax rate of 24%. To explain the items which were non-deductible tax expenses.	• The non-deductible items comprised finance cost related to the Company's foreign investment and certain operating expenses incurred by the holding company.
3.	<u>S. Baskaran – Proxy</u> To explain the price level in which Company intends to place out its treasury shares.	 • There was no immediate plan by the Company to place out the treasury shares. The Board had however granted to the CEO of the Company the authority to decide when and what price levels such treasury shares could be placed out.
4.	<u>Mohammed Amin Bin Mahmud – Proxy</u> (a) To elaborate on the Company's focus on renewal energy since it was now a global phenomenon. The renewable energy ("RE") was set to replace fossil fuels such as coal and gas as the main sources of fuel in power generation. The RE inititatives had also spread to Middle East and Dubai, the latest project being the development of a massive 200 gigawatts (GW) of solar power plant in Saudi Arabia (b) There were news reports that Hyflux Limited, MCB's joint venture partner in its Algeria	 • Based on the Malaysian Government's policy on fuel mix for the power industry over the next 5 years, 57% would be generated from coal power plants, 25% from gas power plants whilst 4% would be from hydro, renewables and solar. The Government's target was for solar energy to contribute 1,000MW to the Malaysian electricity grid and had through the Energy Commission ("EC") been tendering out numerous solar power plants for participation of local players. • Taking into cognisance that renewable energy would be the energy of the future, MCB had focussed its efforts on areas of waste-to-energy and solar projects, both in the local and international markets. Backed by a healthy financial position, the Management assured shareholders that the Company had the ability to gear up for the implementation of such RE projects, be it brownfield or greenfield. The demand for coal-fired power plants was still high in certain countries in Asia, unlike in Europe, where fossil fuelled power plants had gradually been replaced by green energy. If Hyflux underwent liquidation, the Government of Algeria or the offtaker, SONATARCH/ADE would need to look for new investors to take over Hyflux's investment.

	Key Matters Discussed	Response from the Directors/Management
	investment for the Souk Tleta project had recently defaulted in the payment of its bonds issued in Singapore and this could lead to the possible liquidation of Hyflux. To elaborate on the impact on the partnership and consequences of the project due to this.	Hyflux holds a minority interest in AAS of 15.3%. The major shareholder was the Algeria Energy Company, the Company's local partner in Algeria.
5.	<u>Ho Yueh Weng– Shareholder</u> (a) To provide insight as to the difference between the Company's operations compared to Tenaga Nasional Berhad ("TNB"). The latter's earnings had performed significantly better than the Company.	• TNB is the nation's largest electricity company with a fleet of power plants ranging from coal, gas, hydro and renewable power plants. It was also involved in the business of transmission and distribution of electricity for the nation. • MCB on the other hand, was an Independent Power Producer involved only in one sector of power business and it had since expanded internationally into the business of power generation and water desalination.
	(b) Given the Company's track record in power generation, for the Board to comment whether there was a possibility that the Company could diversify into being a turnkey EPC Contactor for TNB and other power players. This diversification could serve to cushion the challenging environment of its business of escalating fuel price such as cost of coal, gas etc.	• MCB was insulated from any increase in the cost of fuel as this component was a pass through cost to TNB. So long as the power generating companies fulfilled its contractual obligations under the long term power purchase agreements executed with TNB, the Group would be able to generate both capacity and variable operating income to cover for the CAPEX incurred and operating cost. • Therefore, the major challenge faced by the Group's power plants was not escalating fuel cost, but the advancement of technology and efficiency of newer plants which would displace the Group's power plants in the merit order of dispatch in view of lower generating cost from new plants with newer technology. • As for the suggestion by the shareholder that it diversified into being a turnkey contractor, the Board informed that for the time being, the Company had set its focus and resources in expanding into its core business of power generation by moving into RE sector.
	(c) To explain on cost control measures taken to control the maintenance of the Port Dickson Power ("PDP") which was currently operated as standby plant to the Grid.	• The Company would try to maximise PDP's value by applying for a repowering of the plant or proposing for an extention of the current PPA.

	Key Matters Discussed	Response from the Directors/Management
	(d) YTL Power had in past faced issues with TNB which resulted in the concession of its plant not being renewed. As the MCB Group has two power plants which concessions were nearing expiry, to explain whether MCB would be faced with the same challenges as YTL Power. To also detail out the risk involved and the mitigation actions planned to be taken.	• As MCB was not privy to the matter, the Board was unable to comment on the issues faced by YTL Power with TNB on the renewal of its concession. • The SEV power plant (or "LPP") had been granted a 10-year renewal of its concession by TNB but at a significantly lower tariff. Despite the lower tariff, LPP was still able to generate positive revenue to the Group. • In the case of the expiring PPAs of some of its power plants, the Company had adopted the strategy of establishing good rapport with the Government and had been proposing the idea of developing greenfield and repowering projects in the country.
	(e) As the bulk of the income by the Company was contributed by it local operations, to explain why the Group's overseas investment were still maintained. (f) To explain on the decline in reserves and retained earnings at the Company level compared to last year. (g) To explain the difference in the figure between the tax expenses (Page 199 of AR2017) and actual tax paid found on Note 26 (Page 131 of AR2017). (h) To inform shareholders whether there would be a potential audit from Inland Revenue Board ("IRB"). The shareholder had drawn example on recent cases where many large public listed	• Save for the Company's investment in the Macarthur Wind Farm in which the Company held a majority interest, all of the other overseas investments were minority interest and recognised in the Group's financial statement as the Company's share of the profits. • The Group's local operations were, on the other hand, held wholly or majority by the Company and the profits from local operations, were consolidated into the Group's financial statements. • The decline in the retained earnings at the Company level was mainly due to the impairment of the Company's investment in certain subsidiaries and associates which no longer match the value of its investments. • At the Group level, the losses of the Company's investments were paired down with the amortisation of intangible assets. The intangible assets of RM7 billion had arisen due to the privatisation of Malakoff Berhad by MCB. To date, the intangible assets had reduced to about RM3 billion. • The components included in the tax expenses were deferred tax, depreciation adjustments and so forth. The difference between the tax expenses and actual tax paid was due to tax deductions which were allowable by the IRB. • The tax computation submitted by the Company to IRB was prepared in accordance with relevant taxation rules and regulations and based on the professional advice of the Company's tax advisers.

	Key Matters Discussed	**Response from the Directors/Management**
	companies were fined hefty sum of penalties by IRB for under declaration of income tax.	• In the event that IRB investigates the Company, it would seek the assistance of the Company's tax and legal advisors to explain and defend the Company's tax computations.
6.	<u>Leo Ann Puat – Shareholder</u> (a) To explain the lower PATMI for FY2017 from the last year compared to higher revenue recorded for FY2017 and increase cost of sales.	• The reason for the increase in revenue was mainly due to higher energy payment arising from the higher price of coal procured by TNB. The higher price of coal had also increased the cost of sales.
	(b) The shareholder had suggested that the segmental reporting be divided into geographical sector i.e local or international operations. This should be further broken down to categorise profits according to the energy, water and other sections of business of the Group. By this way, the Company could monitor the performance of each business sector according to geographical areas and identify the main contributing business segments to the Group's profitability.	• The segmental reporting disclosed in the audited financial statements were made in accordance to approved accounting standards. • The Company was unable to accede to the shareholders' suggestion as its investments in the power and water desalination business in the Middle East and in Africa regions were investments in associate companies, which profit contribution were equity accounted. Unlike the Group's local operations which were wholly or majority owned, their profit contributions were consolidated in the Group's financial statements.
	(c) With the concessions of KEV and PDP nearing expiry, to explain whether both of these concessions would be extended. Given the central location of these plants, would EC choose to maintain these two power plants for reserve margin of the country. Kindly provide plans of targeted new sectors of the Company moving forward, the investing challenges of these sectors and their forecasted profits. All of the above, would affect the price of the Company's shares. To also elaborate whether there would be an improvement in the	• As mentioned earlier, the Management had submitted proposals to the Government to address the expiring concessions of PDP and KEV and it was hoped that the EC and the Government would agree to the Company's proposals. Both KEV and PDP presently contribute an effective capacity of 968MW and 436MW respectively to the nation's power generation capacity. The Government would need to consider the need to meet the electricity demand, particularly in the central region. • The EC had put in place a mechanism for the planning of country's future plant-ups to meet the country's electricity demands. It had already awarded a number of power projects to other project sponsors to implement the planned plant-ups. PDP repowering was however not part of this plant-up programme. • Despite this, the Company had continued to lobby with EC for PDP to be repowered given that it had existing infrastructure and gas pipeline connections which in turn could translate to competitive PPA tariff compared to the other power players which do not have this

	Key Matters Discussed	Response from the Directors/Management
	Company's performance and its ability to sustain operations.	advantage. This proposal would bode well with the Government's objective of supplying electricity to the "Rakyat" at a lower tariff.
7.	<u>Chee Sai Mun – Proxy</u>	
	(a) SEV's concession was extended but at a lower profit despite it not having to incur capital expenditure ("CAPEX") for construction of the plant. To explain the reason for this.	• The lower profit posted by SEV from its extended concession was due to the lower tariff received from TNB. The lower tariff had reflected the absence of CAPEX to construct a new power plant given that SEV had an existing power plant and that the CAPEX for this has been fully paid off.
	(b) To also explain the reason for request for the extension of KEV's concession despite its poor performance.	• The Company was looking at repowering of KEV as a way to reduce the losses currently faced by KEV.
	(c) To explain the mechanism of the higher fuel margins from the coal purchases by TNB.	• Although fuel is a pass through to TNB, fuel margin would be achieved through the energy income recorded due to the higher Applicable Coal Price ("ACP") set by TNB on a quarterly basis against the actual weighted average price of coal purchased by IPP.
	(d) To elaborate on whether the settlement amount of the litigation action initiated by Tanjung Bin Power Sdn Bhd. against IHI Corporation Japan, Ishi Power Sdn Bhd And IHI Power Systems (M) Sdn Bhd (collectively, "IHI") was fair to the Company since the amount of settlement was not disclosed in the Company's announcement to Bursa Malaysia.	• The quantum had been disclosed under "Other income" in the Profit & Loss statement on page 127 of AR2017. However, due to confidentiality provisions in the settlement agreement, the Company was unable to disclose the exact settlement amount. • The settlement amount received had positively contributed to the the Group's profitability. It was utilised towards the recovery of some of its loss suffered from business interruption ("BI") arising from the prolonged outages of TBP caused by tube leaks of the boiler manufactured by IHI.
	(e) To explain the strategies taken by the Company in ensuring the forced outages at Tanjung Bin Energy power plant ("TBE") could be lowered to reduce the loss in capacity payments.	• In terms of penalty for the outages at TBE, the forced outage cost per day to TBE was about RM2 million in the event TBE breaches its forced outage limits in the PPA. TBE had after successful negotiation with TNB, recognised some forced outage days as scheduled outages and this had reduced the outage penalties charged by TNB to TBE.
	(f) To detail the performance of main subsidiaries and strategic direction planned for each of these subsidiaries in the AR2017 to promote	• It would not be in the best interest of the Company to provide full disclosure of the strategies planned for the Group in the AR2017 due to the confidential nature of the information.

	Key Matters Discussed	**Response from the Directors/Management**
	better transparency of information to investors and shareholders.	
	(g) To provide more information on MUSB's chilled water supply business (h) To explain the significant increase in the investment of associates of RM1.47 billion in FY2016 to RM1.57 billion for FY2017 (Page 125 of the AR2017) (i) To further explain the drop in "*Equity Attributable to the owners of the Company*" from RM5.9 billion in FY2016 to RM5.8 billion in FY2017.	• Malakoff Utilities Sdn Bhd ("MUSB") was principally involved in the supply of chilled water and electricity to the entire KL Sentral development by MRCB. The Management was considering expanding this business further. • The difference in the investment in associates was due to foreign exchange differences. • The drop was due to the 100% dividend payout for FY 2017 and payment of interest to its sukuk shareholders.
	(j) To explain the increase in the deferred income of RM3.2 billion to RM3.5 billion in the year 2017. (Page 126 of the AR2017)	• The increase in the deferred income was due to normalisation of the power plants' income in accordance to the accouting standards • Reference was made to Page 150 of the AR2017 which had stated that the deferred income comprised the difference between capacity payments received from TNB and capacity payments recognised in profit or loss in relation to the PPAs. The amount was recognised in profit or loss statements on a straight–line basis over the term of the respective PPAs.
8.	<u>Lim Pin Yeong – Shareholder</u> (a) To explain on TBE's recovery of the capacity factor of its plant which was had registered an average CF of 86% (Page 42 of AR2017), and whether this level represented full capacity of the plant.	• The plant was targeting to increase its capacity factor to 88%. However, this was dependent on the dispatch by the Grid System Operator (GSO). The full capacity of a thermal plant was above 90%
	(b) To explain on the percentage of the plant outages of the TBEPP.	• The allowable limit of the unplanned outage rate ("UOR") under TBE's PPA was 6% . The UOR of TBEPP for FY2017 had exceeded the limits set under its PPA.

	Key Matters Discussed	Response from the Directors/Management
	(d) To explain the offtake tariff given to the SEV's power plant and the transmission cost involved.	• The offtake tariff given to SEV under its new concession was significantly lower from its orginal concession and there was no transmission cost charged to SEV.
	(e) To explain the Company's policy on the minimum price for the disposal of 61 million treasury shares.	• According to Paragraph 12.18 of the Listing Requirements of Bursa Malaysia, the reselling of the treasury shares of the Company on Bursa Securities was set as follows:- (i) a price which is not less than the Volume-weighted average price ("VWAP") for our Shares for the 5 Market Days immediately before the date of the resale; or (ii) a discounted price of not more than 5% to the VWAP for our Shares for the 5 Market Days immediately before the date of the resale provided that: (aa) the resale takes place not earlier than 30 days from the date of purchase; and (bb) the resale price is not less than the cost of purchase of our Share being resold.
9.	<u>See Han Chow – Shareholder</u> • To explain whether the dividend payment could be increased from 6 sen to 7 sen.	 • If the share price increases, the Company would try its best to pay a dividend payout of 100% of the Company's PATMI.
10.	<u>Loh Shiaw Kheaun – Proxy</u> • To explain on the action plans that the Management was embarking to increase the declining profit numbers of the Company which have been declining year on year ie RM310 million in FY2017 compared to last year's PATMI of RM355 million. (Page 40 of the AR2017) • What would be the forecasted PATMI for FY2018.	 • As the information on the forecasted PATMI was price sensitive in nature, the Board was unable to divulge such information to the shareholders at the AGM. • The Board explained that decline in profit was mainly due lower tariff received by SEV under its new concession. • The Management had taken various actions such as cost saving initiatives together with increasing power plant's efficiency as ways to increase the profitability of the Group. • As for the long term measure, the Company was targeting to achieve new growth through brownfield or greenfield projects.
11.	<u>Cheah Yew Boon – Shareholder</u>	

	Key Matters Discussed	Response from the Directors/Management
	(a) Payment of dividends to the shareholders were made twice yearly. For FY2018, the shareholder suggested for payment of dividends to be made on a quarterly basis to the shareholders.	• The Board noted the shareholders' suggestion for the payment of dividend to be made on a quarterly basis.
	(b) Whether it was more cost beneficial for the Company to repay the Sukuk which interest rate was 5.5% compared to the interest income on the placement of its cash balance (Page 132 of the AR2017)? (c) To explain whether the two new accounting standards of MFRS 9 and 15 would have a material financial effect of to the Company. (Page 133 of the AR2017). (d) For the FY2017, trade receivables stood at RM1.535 billion, less allowance for impairment loss of RM266 million. Note 12 found on page 182 of AR2017 had stated that the trade receivable was from TNB. To explain the reasons for the impairment and whether the Company was pursuing any legal action to demand such payment from TNB. To inform on the aging analysis of the debt owing from TNB.	• Management had adopted a close monitoring of its cashflow to meet the requirements for the Company's operations as well as the timely repayment of the Group's debts of RM15 billion. The payment of Group's borrowings were made according to a fixed payment schedule. • The external auditors confirmed that the two new accounting standards mentioned would generally not have any material financial impact to the Company. • The allowance for the impairment loss was related to dispute on the negative billings between Malakoff's power generating subsidiaries and TNB. • Negative billings was explained by the Board as a penalty payable to TNB when the UOR of the power plant exceeded the permitted rate under the PPA and when the plant was unavailable for despatch when instructed by TNB. Under the previous terms of the PPA, the IPPs suffered not only the loss of capacity payments, it would also be penalised for not generating power upon TNB's request. • The Company and TNB had since negotiated on this term and such negative billings penalties were amended and removed since 2015. The impairment of RM266 million had related to past negative billing issues and the Management would look into how these amounts could be recovered from TNB. • The aging analysis of debts was disclosed in Page 209 of AR2017.
	<u>AGENDA 2:</u> **<u>ORDINARY RESOLUTION NO. 1:</u> TO APPROVE THE PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 3.7 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**	

	Key Matters Discussed	Response from the Directors/Management
12.	<u>Ho Yueh Weng – Shareholder</u>	
	(a) The dividend policy of the Company was not less than 70% of the PATMI for the year but the Board had declared a dividend payout of 100% for FY2017. To explain the reason for the Board's decision and whether the decision was influenced by major shareholders.	• The declaration of a dividend payout of 100% of the Group's consolidated PATMI for the year was in line with the Company's dividend policy. Despite the higher dividend payout declared from last year, the quantum was lower due lower profit for the year. Other considerations include amongst others, to maintain the Company's profile as a dividend yielding stock. • Given that its growth targets had not materialised to date, the 100% dividend payout was a way of rewarding the Company's shareholders who had invested their monies into the Company.
	<u>AGENDA 5(i)</u> **<u>ORDINARY RESOLUTION NO. 7:</u> TO APPROVE THE PAYMENT OF DIRECTORS' REMUNERATION OF RM1,571,146.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**	
13.	<u>Cheah Yew Boon - Shareholder</u>	
	(a) To disclose the names of the Directors' for the Directors' Remuneration amounting to RM1,571,146.	• The full details of the directors and remuneration received by them had been included in Page 93 of AR2017.
	(b) To explain the discrepancy between the amount sought under Resolution 7 of RM1,571,146 whilst the total directors' fixed fees for FY2017 of RM1,193,226.00 found on page 93 of the AR2017 (first column of the table): *Resolution 7 was as follows:-* *"THAT the payment of the following Directors' remuneration to the Non-Executive Directors ("NED") for the financial year ended 31 December 2017 ("the Incurred Period") be and is hereby approved:-*	• The amount sought under Resolution 7 of RM1,571,146.00 comprised not only the total fixed fees of director for FY2017 of RM1,193,226.00 found on page 93 of the AR2017 (first column of the table) but included the following fees payable to directors for the FY2017:- ▪ Board committee fees of RM340,420.00; and ▪ Directors' meeting allowance of RM12,500 and annual leave passage & annual supplemental fees (if claimed) up to RM25,000 payable by the Company to Datuk Seri Johan Abdullah who was appointed after the Eleventh AGM. Save from the above, all other components of the directors' remuneration found on Page 93 had received shareholders' approval in the 11th AGM last year.

<table>
<tr><th></th><th>Key Matters Discussed</th><th>Response from the Directors/Management</th></tr>
<tr><td></td><td>(i) Directors' remuneration of up to RM1,571,146 to all NEDs"</td><td></td></tr>
<tr><td></td><td colspan="2"><u>AGENDA 6:</u>
<u>ORDINARY RESOLUTION NO. 9</u>: TO APPROVE THE PAYMENT OF THE DIRECTORS' FEES TO THE NON-EXECUTIVE DIRECTORS FROM 1 JANUARY 2018 UNTIL THE NEXT AGM OF THE COMPANY IN 2019 ("RELEVANT PERIOD") AND DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE DIRECTORS FROM THE CONCLUSION OF THE 12TH AGM UNTIL THE NEXT AGM OF THE COMPANY ("2ND RELEVANT PERIOD")</td></tr>
<tr><td>14.</td><td>William Ng – Shareholder

• To explain on the breakdown of the amounts stated on Page 252 of the AR2017.</td><td>• The detailed breakdown of the remunerations paid to the Company's NEDs was to set out the remuneration received as Board and Board Committee members on a monthly basis, the meeting allowance for their attendance at the Board and Board committee meetings as well as the benefits in kind accorded to NEDs under their remuneration package.
• The actual payments of meeting allowance would depend on the number of meetings held for a particular year.</td></tr>
<tr><td></td><td colspan="2"><u>AGENDA 7:</u>
<u>ORDINARY RESOLUTION NO. 10</u>: TO RE-APPOINT KPMG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION.</td></tr>
<tr><td>15.</td><td><u>Cheah Yew Boon – Shareholder</u>

• KPMG, the Company's external auditors was also engaged for the Company's non audit fees services amounting to RM1.52 million. To explain KPMG's scope of work as tax advisors to the Group, Note 27 (Page 200 of the AR2017).

• To explain how the Company plans to reduce the tax charges of RM70 million.</td><td>• The engagement of KPMG's affialites' during the FY2017 were for advisory services largely in potential business undertakings and loan refinancing activies, tax advisory for both local and overseas companies in the Group.

• The Management was exploring with its tax advisors on possible ways of reducing the high tax charge through tax efficient structures within the confines of tax regulations and laws of taxation.</td></tr>
</table>

	Key Matters Discussed	Response from the Directors/Management
	<u>AGENDA 8:</u> **<u>SPECIAL RESOLUTION NO. 11</u>: PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**	
16.	<u>William Ng - Shareholder</u> (a) To elaborate on the timing for each time the shares were purchased and the criteria considered in deciding the purchase and the reason for the Company continuing to buy back its shares from the market.	• The Board had mandated the Management to buy back shares at certain price range and the purchases were made after careful analysis of the market. The Management would continue to purchase the shares as mandated by the Board until such time the funds were required to finance the growth projects planned for the Group.
	(b) Is the Company required to re-sell the shares back to market at a small gain under the Listing Requirement of Bursa Malaysia? (c) To explain the management's actions if the resolution for renewal of the share buy back was rejected by the shareholders at this AGM and subsequently the status of the purchased shares.	• The price of resale prescribed by Bursa Malaysia would, be an average price that should not not be lower than the VWAP of the Shares i.e 5 Market Days immediately before the date of the resale. Details were included in Section 2.5 of the Share Buy-Back Statement to Shareholders dated 28 March 2018. • Should the resolution to renew the Share Buy Back be rejected by the shareholders at this AGM, the Company would cease all buy back activities and look at various options available for the treatment of the treasury shares bought under the previous Share Buy Back mandate.
17.	<u>Ho Yueh Weng – Shareholder</u>	
	(a) To explain whether the objective of the share buyback was to support the share price or to generate income for the Company. (b) The shares were purchased at RM1.00 and dividend declared at 3.7 sen. To explain the reason why large capital investors were shunning from investing in the Company's shares. He questioned whether it was due to high expenditure of the Company.	• The Share Buy Back exercise was embarked by the Company to send a strong signal to the investors that the Company's shares were grossly undervalued and also to provide confidence to the market on the prospects of the Company's shares. • The Company's share price was subject to market forces and numerous other factors which could not be predicted. Regardless, the share price remained undervalued.