



MUDAJAYA GROUP BERHAD

Registration No. 200301003119 (605539-H)

(Incorporated in Malaysia)

MINUTES OF THE 17TH ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED FULLY VIRTUAL FROM THE BROADCAST VENUE AT LEVEL 11, MENARA MUDAJAYA, NO. 12A, JALAN PJU 7/3, MUTIARA DAMANSARA, 47810 PETALING JAYA, SELANGOR DARUL EHSAN ON FRIDAY, 7 AUGUST 2020 AT 3.00 P.M.

PRESENT	:	<u>Directors present at the Broadcast Venue:</u> Dato' Yusli Bin Mohamed Yusoff (<i>Chairman</i>) James Wong Tet Foh Lee Eng Leong Dato' Amin Rafie Bin Othman Wee Teck Nam
		<u>Director present remotely via video conferencing:</u> Chew Hoy Ping
SHAREHOLDERS/ PROXIES	:	As per Attendance Record issued by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd
IN ATTENDANCE	:	<u>Present at the Broadcast Venue:</u> <u>Company Secretary</u> Angelyn Lee <u>Share Registrar/Poll Administrator</u> Nur Shaykila Md Harris (<i>Boardroom Share Registrars Sdn Bhd</i>) <u>Scrutineers</u> Simon Choong (<i>Boardroom Corporate Services Sdn Bhd</i>) <u>External Auditors</u> Tai Yoon Foo (<i>KPMG PLT</i>) Chan Zhen Ni (<i>KPMG PLT</i>)

1. **CHAIRMAN AND OPENING ADDRESS**

Dato' Yusli Bin Mohamed Yusoff ("**Dato' Chairman**") welcomed all shareholders and proxies who have logged in to join the Annual General Meeting ("**AGM**") and then called the AGM to order. He informed that this virtual AGM was held to ensure the safety and health of all shareholders to limit the spread of COVID-19.

Dato' Chairman introduced the members of the Board present at the Broadcast Venue and the Senior Independent Non-Executive Director, Mr Chew Hoy Ping who was in attendance remotely via video conferencing. Dato' Chairman also introduced the Company Secretary, the external auditors from Messrs KPMG PLT and the representatives from Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd who were present at the Broadcast Venue.



2. **QUORUM**

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

3. **NOTICE OF AGM**

Upon enquiry from Dato' Chairman, the Company Secretary confirmed that the notice convening the AGM had been duly sent to all shareholders. The notice was also announced to Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 29 June 2020 and advertised in the NST newspaper on 30 June 2020.

Dato' Chairman announced that the notice, having been circulated within the prescribed period, was taken as read.

4. **PRESENTATION**

The Group Managing Director & Chief Executive Officer, Mr James Wong presented an overview of the Group's performance and strategies to the shareholders and proxies.

Dato' Chairman informed that the Company had received a letter dated 20 July 2020 from Minority Shareholder Watchdog Group ("**MSWG**"). He then handed over to Mr James Wong to read out the questions raised by MSWG and the Company's reply, which were also projected on the screen.

5. **PROCEEDINGS AND POLLING**

Dato' Chairman informed the shareholders and proxies that the voting of resolutions at the AGM would be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. For this purpose, Dato' Chairman exercised his right as Chairman of the Meeting to demand for a poll in accordance with Clause 72 of the Company's Constitution in respect of all the resolutions which would be put to vote at the AGM.

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

Cik Nur Shaykila Md Harris, the representative of Boardroom Share Registrars Sdn Bhd was invited by Dato' Chairman to brief on the procedure for the remote voting and electronic polling process.

After the briefing by Cik Nur Shaykila, Dato' Chairman informed that the online voting session would be open throughout the meeting. Shareholders and proxies could submit their votes in real-time while the AGM was in progress.

Dato' Chairman then tabled all the resolutions in the agenda of the AGM, as follows:



6. **AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon were tabled to the shareholders.

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

The Chairman then declared that the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon were received and duly tabled at this AGM.

7. **ORDINARY RESOLUTION 1**

- **Re-election of Dato' Amin Rafie Bin Othman pursuant to Clause 106 of the Company's Constitution**
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Dato' Chairman tabled Ordinary Resolution 1 on the re-election of Dato' Amin Rafie Bin Othman who retired by rotation pursuant to Clause 106 of the Company's Constitution. Dato' Amin, being eligible, has offered himself for re-election.

8. **ORDINARY RESOLUTION 2**

- **Re-election of Mr Lee Eng Leong pursuant to Clause 106 of the Company's Constitution**
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Dato' Chairman tabled Ordinary Resolution 2 on the re-election of Mr Lee Eng Leong who retired by rotation pursuant to Clause 106 of the Company's Constitution. Mr Lee, being eligible, has offered himself for re-election.

9. **ORDINARY RESOLUTION 3**

- **Payment of Directors' Fees and Benefits**
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Dato' Chairman tabled Ordinary Resolution 3 on the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 8 August 2020 until the conclusion of the next AGM of the Company.

He informed that the benefits payable to the Non-Executive Directors comprised fixed allowance, meeting attendance allowance, company car and driver. Details of the remuneration were set out under Explanatory Note 3 in the Notice of AGM.

10. **ORDINARY RESOLUTION 4**

- **Re-appointment of Messrs KPMG PLT as Auditors**
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Dato' Chairman tabled Ordinary Resolution 4 on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.



He informed that Messrs KPMG PLT have indicated their willingness to continue in office for the ensuing year.

11. **ORDINARY RESOLUTION 5**

- **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**
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Dato' Chairman tabled Ordinary Resolution 5, which was to empower the Directors to issue shares in the Company of not more than 20% of the total number of issued shares of the Company to facilitate capital raising in a timely and cost effective manner. This mandate was sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next AGM.

12. **ORDINARY RESOLUTION 6**

- **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**
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Dato' Chairman tabled Ordinary Resolution 6 on the Proposed Renewal of Authority for the Purchase by the Company of its Own Shares. This resolution would allow the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company.

13. **ORDINARY RESOLUTION 7**

- **Continuing in Office as Independent Non-Executive Director – Dato' Yusli Bin Mohamed Yusoff**
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Dato' Chairman handed over the chairmanship to Mr James Wong to preside over Ordinary Resolution 7 as he was an interested party.

Mr James Wong tabled Ordinary Resolution 7 on the retention of Dato' Yusli Bin Mohamed Yusoff, who has served on the Board for a cumulative term of 9 years, as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017. Mr James Wong then passed the proceedings back to Dato' Chairman.

14. **QUESTIONS & ANSWERS SESSION**

With the completion of all the agendas, Dato' Chairman opened the session for Questions and Answers, and invited shareholders and proxies to submit their questions by using the message icon on the Lumi AGM site.

Dato' Chairman read out the questions received from shareholders and proxies via the message icon on the Lumi AGM site. The questions were addressed by Dato' Chairman, the Group Managing Director & Chief Executive Officer (Mr James Wong) and the Executive Director (Mr Lee), as set out below:



- Q1. *What would be the impact of the COVID-19 pandemic on the Group's performance for this year and next year? Any potential contracts to be secured which could sustain the Group's share price?*

Mr James Wong responded that the topic on securing of potential contracts for the various segments was already covered in his presentation slides, of which the Company was hoping to increase its order book. He remarked that as the Company was facing very competitive and challenging environment with the COVID-19 pandemic, the Company would strive its level best to win some contracts, particularly in the area of its niche competency.

- Q2. *Since the Company has been badly affected by the movement control order and COVID-19 pandemic, in which earnings are expected to be depressed, would the Board embark on staff layoff plan and/or salaries reduction?*

Mr James Wong responded that since 2 years ago, the Group has taken the stance to be lean and agile in its performance. Management has maintained the staff workforce size to manage the tasks in hand. During the current pandemic, Management has kept the same team of staff and workers and they would continue to be with the Group until such time the projects are completed. Mr James Wong was hopeful to continue their services as the Group replenishes its order book.

- Q3. *Would the Company consider giving vouchers as a reward to shareholders who participated in this virtual AGM?*

Dato' Chairman responded that there would be no distribution of vouchers as this is a virtual AGM. Furthermore, the Company is required to contain cost in light of the current challenging environment.

- Q4. *How much did the Company spent on this virtual AGM?*

Dato' Chairman responded that the cost for holding this virtual AGM was approximately RM31,000 (excluding service tax and disbursements).

- Q5. *The Indian power plants production capacity have yet to reach full utilisation and are still making losses. Why is that so, could it be due to operational or low electricity demand or political or regulation issue or any other issue? What is the outlook of the power plants? The Group has fully written off the investment with the additional power supply of 550MW. Could it commence contribution to the bottom line? Otherwise, any forecasted date on when could the power plants commence contribution to the bottom line?*

On the question relating to the Indian power plants, Mr Lee replied that there is demand for electricity due to the shortage of supply in India. The project encountered some difficulties in the purchasing of power by the relevant states in India. Since all the 4 units of the power plants were ready to produce electricity, the future prospect is bright, however in India there are challenges in terms of operation, local government, politics and financing. As the project has been delayed for a while, Management has been working on a solution together with the Indian partners. Mudajaya's involvement is at a minimum level as the project is being



managed by the Indian partners. They have been working hard to secure working capital and the power purchase agreements (“PPA”) for the remaining power plants.

Mr Lee briefed that the book value of the power plants has been fully amortised, however there was still residual value in the assets. The Indian partners were in the midst of finalising a proposed restructuring plan with the financial institutions and hopefully the restructuring plan would be implemented by end of the year. In order for the power plants in India to contribute to the bottom line, the plants were required to have total production of at least 50% capacity. To date the production level has reached only a quarter of the 4 units. Unless and until electricity production reaches 50% capacity, there would be no positive contribution to the bottom line primarily because the cost of funding for the project is high.

- Q6. *What is the status of the sale of 7% shareholding in R.K.M Powergen Private Limited (“RKM”) by Mudajaya Corporation Berhad (“MCB”) to Apollo Ventures Co. Ltd. (“AVCL”)? What is the status of the remaining PPA after the pilot PPA of 550 MW?*

Mr Lee responded that AVCL was still keen to acquire the 7% shareholding in RKM from MCB. Unfortunately, the process of the sale of shares was hindered as RKM was facing difficulty in obtaining the approval from the financial institutions in India. In order not to disrupt the proposed restructuring plan of RKM, MCB was currently in discussion with AVCL on potential termination of the sale and refund of the 10% deposit payment made by AVCL.

On the question in relation to the status of securing the remaining PPA, Mr James Wong responded that the team was currently focusing on one more PPA, which would take care of Units 3 & 4 being the last 2 units of the power plants. With regards to the old PPA executed with Chhattisgarh State Electricity Board, Management was currently awaiting a hearing session by the relevant authorities to reach a final decision, which was delayed again due to the COVID-19 pandemic. The hearing session was expected to be adjourned to end of August or September 2020.

- Q7. *The Group has sustained losses for quite long, request was made for an honest answer as to when the Group would be profitable and when a dividend is forthcoming to shareholders?*

Mr James Wong replied that the previous losses suffered by the Group were mainly due to the RKM impairment, which has been fully impaired in financial year 2019. Moving forward, the Board would consider dividend payment once the performance of the Group has improved without further borrowings incurred.

- Q8. *What is the tariff rate of the recent PPA for the India power plant?*

Mr James Wong responded that the tariff rate varies; it ranges from 3.58 Rupees per kilowatt-hour and currently, the tariff rate was seen moving upwards with the recent rate about 4.3 Rupees per kilowatt-hour. In view of the power shortage in India, a few fossil fuel plants have come on-stream. As there is demand for power in India,



Management was hopeful that the tariff rate would improve in the months to come. However the tariff rate is seasonal, as it could peak during summer and dip during winter depending on supply. During summer, the rate could escalate very high and during winter it could drop to a much lower tariff level.

- Q9. *Regarding the submission of tenders for the engineering, procurement, construction and commissioning (“EPCC”) of the solar power plant and the 30MW small hydro, when would the results be out?*

Mr James Wong responded that the results of the tender bid submission for the solar plant EPCC contract were expected to be announced before year end. As for the 30MW small hydro tender initiated by the Sustainable Energy Development Authority (SEDA), the shortlisted candidates would be made known by early October 2020.

15. POLLING PROCESS

Dato’ Chairman reminded the shareholders and proxies to cast their votes on all the resolutions via the electronic voting facility, as the voting session would continue for another 10 minutes. He informed that the verification of votes by the Scrutineers would take approximately 15 minutes after the conclusion of the voting session.

Dato’ Chairman informed that he has been appointed to act as proxy for a number of shareholders and he would vote in accordance with their instructions given. He then adjourned the AGM at 4.10 p.m. for the polling process, followed by verification of votes by the Scrutineers.

16. ANNOUNCEMENT OF POLL RESULTS

Having received the poll results from the Scrutineers, Dato’ Chairman called the AGM to be resumed at 4.35 p.m. for the announcement of the poll results. The poll results were compiled by the Poll Administrator, Boardroom Share Registrars Sdn Bhd and verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd. Mr Simon Choong, the representative of Boardroom Corporate Services Sdn Bhd, was invited by Dato’ Chairman to read out the poll results, which were also projected on the screen as follows:-

	VOTES FOR	NO OF RECORDS	%	VOTES AGAINST	NO OF RECORDS	%	VOTES TOTAL
RESOLUTION 1	313,231,671	112	99.943925	175,742	26	0.056075	313,407,413
RESOLUTION 2	313,272,371	114	99.956561	136,142	27	0.043439	313,408,513
RESOLUTION 3	313,125,584	87	99.912239	275,043	54	0.087761	313,400,627
RESOLUTION 4	313,690,779	123	99.966574	104,889	21	0.033426	313,795,668
RESOLUTION 5	312,912,201	108	99.789946	658,667	35	0.210054	313,570,868
RESOLUTION 6	313,508,529	118	99.908495	287,139	26	0.091505	313,795,668
RESOLUTION 7	273,432,526	114	87.199595	40,138,342	29	12.800405	313,570,868



Based on the poll results, Dato' Chairman declared that all the resolutions tabled at the AGM were duly carried. It was RESOLVED as follows:-

(a) **ORDINARY RESOLUTION 1**

- **Re-election of Dato' Amin Rafie Bin Othman pursuant to Clause 106 of the Company's Constitution**
-

THAT Dato' Amin Rafie Bin Othman who retired by rotation pursuant to Clause 106 of the Company's Constitution, be hereby re-elected as Director of the Company

(b) **ORDINARY RESOLUTION 2**

- **Re-election of Mr Lee Eng Leong pursuant to Clause 106 of the Company's Constitution**
-

THAT Mr Lee Eng Leong who retired pursuant to Clause 106 of the Company's Constitution, be hereby re-elected as Director of the Company.

(c) **ORDINARY RESOLUTION 3**

- **Payment of Directors' Fees and Benefits**
-

THAT the payment of Directors' fees and benefits to the Non-Executive Directors of the Company for the period from 8 August 2020 until the conclusion of the next AGM of the Company, be hereby approved.

(d) **ORDINARY RESOLUTION 4**

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

THAT Messrs KPMG PLT be hereby re-appointed as Auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration.

(e) **ORDINARY RESOLUTION 5**

- **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**
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THAT subject always to the Companies Act 2016 (**"the Act"**), the Main Market Listing Requirements of Bursa Securities, the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act:

- to issue and allot new shares in the Company; and/or
- to grant rights to subscribe for shares in the Company; and/or
- to convert any security into shares in the Company; and/or
- to allot shares under an agreement or option or offer,



at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and THAT the Directors be further authorised to do all such acts and things including executing all relevant documents as they may consider expedient or necessary to complete and give full effect to the abovesaid mandate.

(f) **ORDINARY RESOLUTION 6**

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

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

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the latest audited retained profits of the Company.

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

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

whichever occurs first.



THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividends and/or subsequently cancel them or such other manner as may be allowed under the Act and the Main Market Listing Requirements of Bursa Securities.

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

(g) **ORDINARY RESOLUTION 7**

- **Continuing in Office as Independent Non-Executive Director – Dato’ Yusli Bin Mohamed Yusoff**
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THAT approval be and is hereby given to Dato’ Yusli Bin Mohamed Yusoff, who has served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017.

17. **CONCLUSION**

The AGM was declared closed by the Chairman at 4.40 p.m. The Chairman thanked all shareholders and proxies for their participation in the virtual AGM.

Confirmed as a true and correct record:-

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CHAIRMAN

Date: 7 August 2020