



MUDAJAYA GROUP BERHAD

Registration No. 200301003119 (605539-H)

(Incorporated in Malaysia)

MINUTES OF THE 18TH ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED FULLY VIRTUAL THROUGH THE ONLINE MEETING PLATFORM OF LUMI AGM VIA [HTTPS://WEB.LUMIAGM.COM](https://web.lumiagm.com) PROVIDED BY BOARDROOM SHARE REGISTRARS SDN BHD AT 11TH FLOOR, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON TUESDAY, 29 JUNE 2021 AT 2.30 P.M.

PRESENT	:	<u>Board of Directors</u> Dato' Yusli Bin Mohamed Yusoff (<i>Independent Non-Executive Chairman</i>) James Wong Tet Foh (<i>Group Managing Director & Chief Executive Officer</i>) Eric Lee Eng Leong (<i>Non-Independent Executive Director</i>) Chew Hoy Ping (<i>Senior Independent Non-Executive Director</i>) Dato' Amin Rafie Bin Othman (<i>Independent Non-Executive Director</i>)
SHAREHOLDERS/ PROXIES	:	As per Attendance Record issued by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd
IN ATTENDANCE	:	<u>Company Secretary</u> Angelyn Lee <u>Share Registrar/Poll Administrator</u> Rozleen Monzali (<i>Boardroom Share Registrars Sdn Bhd</i>) <u>Scrutineers</u> Ruzeti Emar Mohd Rosli (<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 fully virtual AGM was held pursuant to the latest guidelines issued by the Securities Commission on 1 June 2021, which states that listed companies are only allowed to conduct fully virtual general meetings during the current full lockdown. In a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, Board members, senior management and shareholders are required to participate in the meeting online. This was to ensure the safety and health of participants of the meeting to limit the spread of COVID-19.

Dato' Chairman introduced the members of the Board, the Company Secretary and the external auditors from Messrs KPMG PLT who were in attendance virtually.

2. **QUORUM**

Dato' Chairman informed that there was sufficient quorum for the AGM based on the confirmation from the Company Secretary.

3. **NOTICE OF AGM**

Dato' Chairman informed 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 28 May 2021 and advertised in the NST newspaper on 31 May 2021. The notice was tabled and taken as read.

4. **PRESENTATION BY GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER ("MD")**

Dato' Chairman informed that the Company had received a letter dated 16 June 2021 from the Minority Shareholders Watch Group ("**MSWG**").

Before Dato' Chairman proceeded with the business of the AGM, he invited the MD, Mr James Wong Tet Foh ("**Mr James Wong**") to present an overview of the Group's performance and strategies to the shareholders and proxies, as well as to read out the questions from MSWG and the Company's reply. Mr James Wong presented the Group's business performance and outlook, financial highlights, key events in 2020/2021 and future strategies for the Group.

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.

Boardroom Share Registrars Sdn Bhd then presented a short video to brief the shareholders and proxies on how to submit questions via the message icon as well as the online voting process.

Dato' Chairman announced that the online voting session has commenced and would be open throughout the AGM until the closure of the voting session which he would announce later. Shareholders and proxies could submit their votes in real-time while the AGM was in progress.

Dato' Chairman proceeded to table 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 2020

The Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon were tabled to the shareholders.

Dato' 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.

Dato' Chairman then declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon were received and duly tabled at this AGM.

7. ORDINARY RESOLUTION 1

- **Re-election of Dato' Yusli Bin Mohamed Yusoff pursuant to Clause 106 of the Company's Constitution**
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Dato' Chairman handed over the chairmanship to Dato' Amin Rafie Bin Othman to preside over Ordinary Resolution 1 as he was an interested party.

Dato' Amin tabled Ordinary Resolution 1 on the re-election of Dato' Yusli Bin Mohamed Yusoff who retired by rotation pursuant to Clause 106 of the Company's Constitution. Dato' Yusli, being eligible, has offered himself for re-election. Dato' Amin then passed the proceedings back to Dato' Chairman.

8. ORDINARY RESOLUTION 2

- **Re-election of Mr James Wong Tet Foh 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 James Wong who retired by rotation pursuant to Clause 106 of the Company's Constitution. Mr James Wong, 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 30 June 2021 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**

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**

Dato' Chairman tabled Ordinary Resolution 5, which was to empower the Directors to issue shares in 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**

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. **QUESTIONS & ANSWERS SESSION**

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

Dato' Chairman informed that the Company had received 4 questions from shareholders prior to this AGM which were submitted via the portal of Boardroom Share Registrars Sdn Bhd. He then read out the questions and provided the Company's responses, as set out below:

Q1. *When is the Company planning to pay dividend to reward its loyal shareholders?*

Answer: The Company does not plan to declare dividend in the short term. Any cash surplus would be injected as equity portion for the new upcoming projects as part of the Group's business expansion.

Q2. *On the issue of Prasarana delaying its payment to the LRT3 contractors at the end of year 2020, has this issue been settled? Is the Group expecting any impairment to the receivables relating to this project (or any other receivables)?*

Answer: The delayed collection issue remains open. No impairment to the receivables is expected.

- Q3. *The “Manufacturing, Trading and Others” segment has been reporting losses for many quarters. What measures are taken to turn this segment around? Is it feasible to continue operating in this segment?*

Answer: This segment includes “others” segments, primarily the finance cost incurred at Group level. Excluding which, the manufacturing and trading segments are operating at profitable level.

- Q4. *Subsequent to the year ended 31 December 2020, there was an impairment loss on “Investment in Associates” of RM11.232 million reported in 1st quarter 2021.*

- (1) *What is the nature of the impairment?*
(2) *Which Associate Company is it attributable to?*

Just a suggestion: Considering that the “Investment in Associates” is quite a significant item for the Group, some details or more explanation should be provided in the Quarterly Reports published on Bursa Securities. It would be helpful for shareholders, as there is currently a lack of visibility regarding the performance and movement of figures relating to associated companies in the Quarterly Reports.

Answer:

- (1) 1st quarter 2021 reported a gain in the share of results of associates mainly attributable by RKM Powergen Private Limited (“**RKM**”). As the respective fair value could not be determined reliably, this was subsequently impaired.
(2) The associate company is RKM.

The Company will take note and consider the suggestion in the upcoming Quarterly Report.

Dato’ Chairman subsequently read out the questions received from shareholders and proxies during the AGM via the message icon on the Lumi AGM site. The questions were addressed by Dato’ Chairman, the MD (Mr James Wong) and the Executive Director (Mr Eric Lee), as set out below:

- Q1. *Since this is the 2nd virtual AGM, I request the Board to give RM30 TnG/Boost eWallet credit to minority shareholders as a token of appreciation. I believe the token is a small sum and within the annual budgeted expenses?*

Dato’ Chairman responded that the Company has not budgeted for any form of e-vouchers for this AGM, having taken into account the Company’s stretched financial situation and the tough operating conditions over the past 1 ½ years since the COVID-19 pandemic outbreak.

- Q2. *Our Company has been making significant losses year in year out for so many long years and now has its share price languishing at penny stock levels and likely to deteriorate further, reflecting the calibre of our highly overpaid Board and top Management; so will there be further review downwards of the Directors’ remunerations and perks?*

Dato' Chairman responded that there was a review of the Directors' remunerations in February 2021 and the resolution which was put forward to shareholders has reflected a reduction in the fixed allowance and meeting attendance allowance. We will undertake further review of the remuneration depending on the Company's performance.

Q3. *How much does the Company spend on this virtual AGM?*

Dato' Chairman responded that the estimated cost for holding the virtual AGM this year was about RM19,500 (*exclusive of disbursements & SST*).

Q4. *What are our Company's remaining overseas contracts/projects and what are our plans on these money-losing overseas contracts/projects? Major impairments and losses have been written down into our books; what is the current status of these overseas projects especially in India and will we be able to recover the impairments and also reverse our loss-making foreign projects/investments? What is our stand on these projects/investments going forward?*

Mr James Wong responded that the overseas projects the Group currently has are the thermal plants in India and Indonesia. These power plants are currently operating and generating power for sale to the local grids. Any impairments for the projects have already been written down in the books and Management hoped the impairment would be recovered over the years. These being capital intensive projects, would take some time to recover or breakeven from the investments. Management would continue to monitor these investments in the coming years and hope the power generation would increase. He added that both projects are operating with positive margins.

Q5. *Where is our Company heading since the Company is seeking more money from shareholders and what new strategies and initiatives are in store to realistically put profitability back, and in what timeframe?*

Dato' Chairman responded that the MD's presentation has covered the future strategies for the Group, however he invited Mr James Wong to provide further details.

Mr James Wong explained that the future funding of the Company and working capital needs have been elaborated at the Extraordinary General Meeting of the Company which was held in the morning. The proceeds from the rights issue would be utilised for the new 30MW small hydro project in Jerantut, Pahang as well as working capital for the current construction projects such as LRT3-GS01.

Q6. *Will there be any more impairment in the future?*

Mr Eric Lee responded that the power plant assets in India have been fully impaired and currently carrying zero value in the balance sheet, hence there would be no further impairment required from these assets. As the India assets continue to perform, Management is hopeful to write back some of the impairments in future. Another impairment made was on the properties which are held for sale to reflect the lower market value in view of the current environment due to the COVID-19 pandemic. The Group did not foresee any further impairment on other assets.

Q7. *The briefing given looks very impressive. As a shareholder, I would like to know when the Company would be profitable and reward shareholders with dividends?*

Mr James Wong responded that the Group started to make operating profits in financial year 2020. Moving forward in financial year 2021, Management hoped to repeat the same trend but unfortunately the various business segments were affected by the current pandemic. Management endeavoured to maintain the operating profits for the coming years notwithstanding some of the issues and headwinds as highlighted in his earlier presentation.

Q8. *We were successful in a tender in May 2016. At that time, I observed there were more than RM500,000 of construction equipment, machinery and other recyclable wastes. I wrote to the Company on 1 June 2018, 19 June 2019 and 23 January 2020 to allow us to continue bidding. At the AGM in June 2018, I had highlighted to the MD that the Company must ensure as many bidders as possible because of the large amount of construction materials to be disposed. I want to see the Company gets its best offers and ensure full transparency in the award of tenders. Please advise how the Company is going to do this.*

Mr James Wong responded that Management would take the advice given. The process for disposals of assets is carried out according to the Company's procedures. Mudajaya has a Procurement Department and an independent Tender Committee that look into this process. The processes were also being regularly audited by the Group Internal Audit team and the audit report would be presented to the Audit Committee. Management endeavoured to ensure transparency and integrity in the disposal of any of the Company's assets. Management welcomes any company that is willing to participate in the tender.

Q9. *What is the expected profit margin for RKM in 2021?*

Mr James Wong responded that the operating profit margin for the thermal plants of RKM ranged between 35% to 40%. However for financial year 2021, RKM would still be reporting losses due to finance interest cost which requires settlement. RKM was expected to generate profits in the coming years when power generation improves.

With no further questions from the shareholders and proxies, Dato' Chairman concluded the Questions & Answers session.

14. **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 3.50 p.m. for the polling process, followed by verification of votes by the Scrutineers.

15. ANNOUNCEMENT OF POLL RESULTS

Having received the poll results from the Scrutineers, Dato' Chairman called the AGM to be resumed at 4.15 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. Dato' Chairman read out the poll results, which were also projected on the screen as follows:-

RESOLUTION	Polling Results					
	Vote FOR			Vote AGAINST		
	REC	UNITS	%	REC	UNITS	%
Resolution 1	177	269,208,208	87.3708	41	38,913,204	12.6292
Resolution 2	180	308,024,382	99.9707	34	90,358	0.0293
Resolution 3	139	307,718,297	99.8699	74	400,998	0.1301
Resolution 4	192	308,034,244	99.9717	24	87,164	0.0283
Resolution 5	169	306,344,077	99.4253	45	1,770,663	0.5747
Resolution 6	184	308,084,016	99.9879	34	37,396	0.0121

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' Yusli Bin Mohamed Yusoff pursuant to Clause 106 of the Company's Constitution**

THAT Dato' Yusli Bin Mohamed Yusoff 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 James Wong Tet Foh pursuant to Clause 106 of the Company's Constitution**

THAT Mr James Wong who retired by rotation 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 30 June 2021 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**

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:

- (a) to issue and allot new shares in the Company; and/or
- (b) to grant rights to subscribe for shares in the Company; and/or
- (c) to convert any security into shares in the Company; and/or
- (d) 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 new shares issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares of the Company for the time being (excluding treasury shares) (“**20% General Mandate**”) and THAT such approval of the 20% General Mandate shall continue to be in force until 31 December 2021.

THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit provided that the aggregate number of such new shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being (excluding treasury shares) (“**10% General Mandate**”).

THAT such approval of the 10% General Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new shares on the Main Market of Bursa Securities.

AND THAT the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient

(including executing such documents as may be required) in order to give full effect to the 20% General Mandate and 10% General Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

(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.

16. **CONCLUSION**

The AGM was declared closed by Dato' Chairman at 4.25 p.m. Dato' Chairman thanked all shareholders and proxies for their participation in the virtual AGM.

Confirmed as a true and correct record:-

- SIGNED -

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CHAIRMAN

Date: 29 June 2021