

**MALAYSIA AIRPORTS HOLDINGS BERHAD**

(Company No. 487092-W)

(Incorporated in Malaysia)

MINUTES OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING OF MALAYSIA AIRPORTS HOLDINGS BERHAD (THE COMPANY OR MAHB) HELD AT GATEWAY BALLROOM, LEVEL 1, SAMA-SAMA HOTEL, KL INTERNATIONAL AIRPORT, JALAN CTA 4B, 64000 KLIA, SEPANG, SELANGOR DARUL EHSAN ON TUESDAY, 8 MAY 2018 AT 11.00 A.M.

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**PRESENT :** **Y.A.M. TAN SRI DATO' SERI SYED ZAINOL ANWAR  
IBNI SYED PUTRA JAMALULLAIL**  
*(Chairman)*

**Y. BHG. DATUK MOHD BADLISHAM BIN GHAZALI**  
*(Managing Director)*

**Y. BHG. DATO' SRI DR. MOHMAD ISA BIN HUSSAIN**

**ENCIK MOHD KHAIRUL ADIB BIN ABD RAHMAN**

**Y. BHG. DATO' MOHD IZANI BIN GHANI**

**Y. BHG. DATUK SERI MICHAEL YAM KONG CHOY**

**Y. BHG. DATUK ZALEKHA BINTI HASSAN**

**ENCIK ROSLI BIN ABDULLAH**

**Y. BHG. DATO' IR. MOHAMAD BIN HUSIN**

**Y. BHG. DATUK AZAILIZA BINTI MOHD AHAD**

**PUAN HAJAH JAMILAH BINTI DATO' HASHIM**

**MEMBERS PRESENT:** **AS PER ATTENDANCE LIST**

**PROXY HOLDERS:** **AS PER ATTENDANCE LIST**

**BY INVITATION:** **AS PER ATTENDANCE LIST**

**IN ATTENDANCE:** **PUAN AZNI BINTI ARIFFIN**  
*(Company Secretary)*

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**CHAIRMAN**

Y.A.M. Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail (Y.A.M. Tan Sri Chairman) presided as Chairman of the Meeting. Y.A.M. Tan Sri Chairman welcomed all present to the 19<sup>th</sup> Annual General Meeting (19<sup>th</sup> AGM or the Meeting) of the Company, and proceeded to briefly introduce all the Directors present thereat. The Meeting was called to order at 11.00 a.m.

**QUORUM**

The requisite quorum being present pursuant to Article 85 of the Company's Constitution, Y.A.M. Tan Sri Chairman declared the Meeting duly convened.

**OPENING REMARKS BY CHAIRMAN**

Y.A.M. Tan Sri Chairman summarized the key points of the Chairman's Statement on the Annual Report for the financial year ended 31 December 2017 as follows:-

- (i) The Company's team step up to deliver above and beyond what they had set out to achieve for the year, striding forward on both financial and operational fronts;
- (ii) The year in review was noteworthy for the Group as the Company registered rise in revenue and earnings on the back of increase in passenger traffic for the Group's network of airports. The Company's good performance is indicative of the strong foundations and robust strategies the Company has set in motion under our five-year business plan, Runway to Success 2020 (RtS2020);
- (iii) In view of the Company's stronger performance and confidence in the business prospects moving into 2018, the Board is recommending a final dividend of 8 sen per share for Financial Year (FY) 2017. Together with the earlier interim dividend of 5 sen per share, the total dividend for the year is 13 sen per share which is 30% above the 10 sen per share dividend paid out for FY2016;

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- (iv) The Board is exploring how the Company can create value for shareholders on a more regular basis with due consideration given to the cash flow and other capital considerations for growth. Approximately 40% of the Company's shares are owned by foreign investors, a testament to its good investment value; and
- (v) The Company's commitment on delivering high quality services to the stakeholders remains unchanged. The Company will continue to leverage on technology and a digitalisation strategy to improve airport experience.

Y.A.M. Tan Sri Chairman thanked the Management Team for their commitment and guidance in leading the Company forward as well as deepest gratitude to all employees for their invaluable contributions to the Company.

Y.A.M. Tan Sri Chairman further extended his deepest appreciation to the shareholders for the unwavering loyalty and steadfast faith in the Company. He further asked the stakeholders to lend their unrelenting support for the Company to pursue the agenda of sustainable, long-term growth for MAHB and the nation.

Y.A.M. Tan Sri Chairman thereafter called for presentations by Y. Bhg. Datuk Mohd Badlisham bin Ghazali, Managing Director of MAHB (Y. Bhg. Datuk MD) and Y.M. Raja Azmi bin Raja Nazuddin, Chief Financial Officer of MAHB (CFO).

**BRIEFING ON MAHB'S HIGHLIGHTS FOR 2017 AND OUTLOOK FOR 2018**

The Meeting was presented with a brief presentation by Y. Bhg. Datuk MD, on MAHB's Highlights for 2017 and Outlook for 2018 which highlighted, amongst others, as follows:-

- (i) Introduction
  - (a) 25 Years serving the Nation : Our Journey so far; and
  - (b) Malaysia Airports : A Global Leader.
- (ii) Runway to Success 2020
  - (a) Moving Forward : Stay Focused; and
  - (b) RtS2020 Update : Significant Strides in 2017.

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- (iii) KUL Hub
  - (a) KLIA : Growth Outpacing Regional Peers in 2017; and
  - (b) KLIA : 42.4 Million International Passenger Movements in 2017.
  
- (iv) Total Airport Experience
  - (a) Airports Model Evolution;
  - (b) Airports 4.0 Framework; and
  - (c) Improving Service Levels under Quality of Service (QoS) Framework.
  
- (v) KLIA Aeropolis
  - (a) KLIA Aeropolis Concept Masterplan : Airport City in the Making.
  
- (vi) Achieving World Class Standards and Recognition
  - (a) MAHB continues to be recognized internally and locally.
  
- (vii) Focus Areas for 2018.
  - (a) Improvement Focus Area; and
  - (b) Business Focus Area.

Y.A.M. Tan Sri Chairman thanked Y. Bhg. Datuk MD for his presentation and further invited the CFO for his presentation on MAHB's financial performance for the year ended 31 December 2017 including Minority Shareholders Watchdog Group (MSWG)'s questions and answers.

The Meeting was informed that the Company had received written queries from Permodalan Nasional Berhad (PNB) and MSWG and the Management had replied to them accordingly.

The Meeting was further informed that MSWG's questions and answers had been published in the Company's website for the shareholders' ease reference.

**BRIEFING ON MAHB'S FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Meeting was presented with a brief presentation by the CFO on the Group Financial Performance Review for 2017, which highlighted, amongst others, as follows:-

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- (i) Headline Key Performance Indicator (KPI) : Achieved Group Targets;
- (ii) Passenger Growth : Continuing to Drive Earnings;
- (iii) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) KPI mainly driven by Passenger Growth and Mix;
- (iv) Diversified Revenue Streams : Higher Non-Aeronautical Revenue Contribution;
- (v) Key Results : Year-To-Date Executive Summary;
- (vi) FY2017 Key Highlights;
- (vii) Passenger and Sales Growth and Key Drivers for Growth;
- (viii) Revenue and Cost per Passenger (Malaysia Operations) : Improvements in Airport Operations' Revenue and Costs;
- (ix) Dividend Payments are on Upward Trends;
- (x) Significant Gains in MAHB's Share Price; and
- (xi) FY2018 Headline KPI and Outlook.

At this juncture, the CFO presented the reply to the Minority Shareholders Watchdog Group (MSWG)'s queries, which were listed as follows:-

Q1: It was stated on page 6 of the Annual Report, that moving forward, Kuala Lumpur International Airport (KLIA) would be undergoing further expansion to allow it to handle between 15 and 20 million more passengers.

Could the Board provide the estimated cost and tentative timeframe for the expansion?

Q2: As stated on page 55 of the Annual Report, the Company has launched the Digital Free Trade Zone (DFTZ) and has entered into a strategic collaboration with Tourism Malaysia as part of its robust plan to increase tourist arrivals.

- (i) Please comment on the expected quantitative impact to the Group in relation to DFTZ moving forward?
- (ii) What is the expected percentage growth in tourist arrivals from India, China and Europe?

Q3: What is the estimated cost to be incurred for the infrastructure upgrades such as the Aerotrains and baggage handling system as mentioned on page 58 of the Annual Report?

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Q4: Turkey operations has registered a loss before tax of RM287.5 million in 2017 as stated on page 62 of the Annual Report.

What is the plan for the Turkey operations and when are these operations expected to turnaround?

Q5: With regards to the Company's divestment of its 11% equity stake in Rajiv Gandhi Hyderabad International Airport to GMR Airport Limited as set out on page 76 of the Annual Report, we note that there will be an estimated gain of RM255.1 million and the disposal is expected to be completed by 30 April 2018, subject to an extension of up to 1 December 2018.

Please provide the latest status of the said corporate proposal?

Q6: As stated on page 82 of the Annual Report, Malaysia Airports (Niaga) Sdn Bhd will be embarking on a brand refresh initiative encompassing a revamp of its website, uniforms and stores as well as expansion and major renovation works.

What is the estimated cost to be incurred for the expansion and major renovation works?

Q7: Under Note 22 on page 257 of the Annual Report, we note that RM 134,747,000 of the Trade and Other Receivables have been impaired. Please provide the following information:-

1. The identity of these debtors and the amounts impaired.
2. What is being done to recover the amounts?
3. The probability of recovery of the impaired amount.

What is the Company's policy on impairment of Trade and Other Receivables?

Q8: Please confirm whether all Audit Committee members have attended training related to accounting and auditing standards, practices and rules during the year as advocated under Practice 8.5?

The CFO responded to MSWG's questions as follows:-

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A1: KLIA currently has a combined capacity of 75 million passengers per annum (mppa). In 2017, KLIA had registered 58.6 million passenger traffic movements. This means that the airport as a whole still has ample capacity to cater for immediate future traffic growth.

However, the 20-year old KLIA Main Terminal is already nearing its capacity of 30 mppa. As the expansion of KLIA Main Terminal is currently in the initial planning stages and involves multiple stakeholders, the Board will provide guidance on the estimated expansion cost once the plans are finalised. The upgrade and expansion of the terminal can add further capacity of 15 to 20 million more passengers within the next 5 years.

A2: (i) The DFTZ e-fulfilment hub at KLIA will facilitate seamless cross-border trade and catalyse the growth and ambition of KLIA Aeropolis. Some of the expected benefits include:

(a) Doubling cargo volumes at KLIA

The forecasted volume of 600,000 tonnes per annum by 2028, injected by the Alibaba group and includes 50% of transshipment cargo, will double the current cargo volume in KLIA (circa 710,000 tonnes in 2017), to approximately 1.3 million tonnes per annum.

(b) Drive process improvements gearing toward best-in-class logistics service levels

The setup of DFTZ Process Improvement Taskforce aims to accelerate end-to-end turnaround time, including reducing border clearance time from 6 hours to 3 hours, and cargo terminal operator processing time from 4 hours to 90 minutes.

(c) Improved airline connectivity and profitability

The additional cargo volume is expected to increase by an additional 16 to 23 freighter movements per day on top of the current 18 movements depending on freighter load factor and peak periods. This, in turn, will provide further upside in terms of aeronautical and ancillary revenue.

(ii) For 2018, the Group anticipates its airports to welcome a 21% increase in passenger arrivals from both China and India for its Malaysia operations. This translates to an estimated 928,000

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(China: 615,000; India: 313,000) additional inbound passengers from these markets.

However, for passenger movements from Europe, the Group expects a 10% decline in 2018 (2017: 14% reduction) as a result of airlines cutting capacity and routes to Europe destination. The decline in 2018 amounts to a reduction of approximately 172,000 passengers from Europe.

The growing China and India markets is expected to outweigh the impact from a reduction in Europe passenger movements. Overall passenger movements for the Group's operations in Malaysia and Turkey is expected to increase by 6.3% and 7.4% respectively in 2018 with international traffic increase by 8.3% and 11.3% respectively.

Passenger movements reported by the Group includes leisure and non-leisure travellers.

The Group will focus on the following measures to continue growing and developing the connectivity of Malaysia Airports in the China, India, ASEAN and Europe markets:

- (a) Strengthening existing connectivity, developing connectivity to secondary cities, attracting emerging Low Cost Carriers and pursuing more charter flight operations;
- (b) Collaboration with local tourism, State Government authorities and airlines for joint advertising and promotion; and
- (c) Tailor airline incentives to drive traffic growth, including a joint marketing fund with Tourism Malaysia to tap underserved markets.

A3: The estimated total cost for both the Aerotrain upgrading and baggage handling main sorter system replacement programme at KLIA Main Terminal is approximately RM400 million to RM600 million over the course of the next 3 years.



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A4: The Group's operations at the Istanbul Sabiha Gokcen International Airport (ISG) has been reporting positive EBITDA and net cash levels since the full acquisition at the beginning of 2015. At the net profit level however, new airports typically take around 5 to 7 years to become profitable as the amortization and interest costs for the debt and concession payments are currently higher than EBITDA.

The net losses sustained in 2016 was a result of the decline in international traffic (when Turkey was hit with a series of security incidents). The Group has increased its efforts in attracting higher revenue yielding international passengers with ISG forecasting total passenger growth of 7.4% in 2018, driven by an 11.8% growth in international passengers. Improvements in overall load factors (2018: 79%; 2017: 71%) and frequencies by Pegasus and Turkish Airlines are also expected this year.

ISG is also in the midst of expanding its international boarding hall by an additional 8 mppa capacity to take the overall capacity to 41 mppa. The expansion will also add more commercial space to the terminal, potentially contributing to higher non-aeronautical revenue growth. Some of the other initiatives includes improving fast track and lounge services offered which will increase the efficiency of international airline operations in ISG.

As such, ISG is anticipated to be profitable between 2019 and 2020. The Group is also not averse to explore other avenues including bringing in potential partners who can further add value and enhance ISG's financial and operational performance.

A5: The Company expects the corporate proposal to be completed on or before 1 December 2018 (being the Long Stop Date for the transaction).

A6: Malaysia Airports (Niaga) Sdn Bhd (MAN) is still in the planning stages of determining and finalizing the stores that may be expanded or renovated in line with the brand refresh.

As a condition for the renewal of the tenancy agreement with the airport operating entities, MAN is expected to refurbish each of the renewed stores. Therefore, the estimated project cost to be incurred for any expansion and major renovation works has yet to be finalised at this moment.

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A7: The increase in impaired balances is in anticipation of the MFRS 9 Financial Instruments (MFRS 9) adoption in 2018. The adoption of MFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing FRS 139 Financial Instruments' incurred loss approach with a forward-looking expected credit loss approach.

Despite the above, the Group has managed to improve the average trade debtor days for its Malaysia operations to 39 days (2016: 56 days; 2015: 76 days).

(i) The identity of the debtors impaired as at 31 December 2017 is as below:-

| <b>Category</b>    | <b>Impaired (%)</b> | <b>Impaired (RM'000)</b> |
|--------------------|---------------------|--------------------------|
| Aeronautical       | 36.4%               | 49,096.3                 |
| Non-aeronautical   | 58.4%               | 78,651.7                 |
| Others             | 5.2%                | 6,999.0                  |
| <b>Grand Total</b> | <b>100%</b>         | <b>134,747.0</b>         |

(ii) The Group continuously monitors these impaired balances and executes the necessary debt collection action to recover the amount in accordance with the Standard Operating Procedures. The measures taken to recover the impaired balances include:

- (a) Letter of reminders;
- (b) Resolving any late payments or disputed balances through agreed repayment plan with debtors;
- (c) Internal letter of demand;
- (d) External letter of demand; and
- (e) Court litigation action.

(iii) As at 30 April 2018, the Group has recouped approximately RM15.5 million, representing 11.5 % of the impaired balance. The Group is actively working towards reducing the remaining balances by executing the necessary debt collection measures.

Impairment is applied when there is objective evidence that impairment loss of trade and other receivables has been incurred.

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Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in number of delayed payments in the portfolio past the average credit period and observable changes in national and local economic conditions that correlate with default of receivable as available in page 204 of the Annual Report 2017.

The impaired balance and subsequent allowance for doubtful debt does not equal to non-recovery. The Group continues to engage with its debtors to recover the impaired amounts. The recovery of the impaired amounts by way of legal demand is done as a last resort.

A8: The members of the Audit Committee consist of 2 Qualified Accountants, a corporate figure who is well versed in the financial industry (being a director of an international bank) as well as the former legal advisor of the government who had advised the government on various international trade matters, concessions and major projects and is currently a legal practitioner, all of which require good level of financial literacy of the Audit Committee members.

From this diverse background, the Audit Committee members are complementing each other, hence collectively they are able to carry out effectively the functions of Audit Committee. Therefore in substance, the members of the Audit Committee are well equipped to carry out their duties and able to meet the intended outcome as prescribed under practice 8.5.

Throughout the year of 2017, the Audit Committee members attended various courses relating to Accounting as well as Finance, Economy, Investment. In addition the management and the external auditor has been regularly updating the Audit Committee on the latest development of accounting/auditing standards relevant to the company's business. This is to equip the members with the necessary skills and knowledge on business and financial matters in enabling them to effectively carry out their duties as Audit Committee members.

This is consistent with the intended outcome of Practice 8.5 in ensuring that there is effective and independent Audit Committee which is able to objectively review findings and recommendations.

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In line with the implementation of MFRS for the year ending 2018, the External Auditor had also conducted a briefing session to the Audit Committee Members on the adoption of MFRS.

In addition, the following courses were attended by the Audit Committee members in 2018:-

- i. MFRS / IFRS Technical Updates 2018 (15 March 2018);
- ii. Anti-Money Laundering / Combating the Financing of Terrorism Training for Board of Directors, Shariah Committee & Management Committee, Invest Malaysia (29 March 2018); and
- iii. Audit, Internal Control & Fraud Detection Seminar 2018 (4 - 5 April 2018).

The Audit Committee members will also be attending the following course:-

- i. Read, Interpret and Analyse Financial Statements (19 July 2018)

*(The presentation slides and reply to MSWG's queries are available in the Company's website: [http://mahb.listedcompany.com/misc/presentation/2018/MAHB\\_AGM\\_Minutes\\_08052018.pdf](http://mahb.listedcompany.com/misc/presentation/2018/MAHB_AGM_Minutes_08052018.pdf)).*

**NOTICE**

Y.A.M. Tan Sri Chairman further informed that the Notice convening the Meeting dated 9 April 2018, having been circulated to all shareholders together with the Annual Report for the financial year ended 31 December 2017 within the prescribed period and was taken as read since there is no objection from the shareholders.

**ADMINISTRATIVE DETAILS**

Y.A.M. Tan Sri Chairman briefed on the procedure for the Meeting whereby each motion requires only a proposer from the floor and subsequently to vote to approve each resolution tabled. There is no legal requirement for the proposed resolution to be seconded before it can be moved for voting.

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Y.A.M. Tan Sri Chairman requested that the shareholder who wish to step forward to ask questions to take the following steps:-

- (i) Introduce himself/herself and provide the full name;
- (ii) State if he/she is a shareholder or a proxy, and if a proxy, the identity of the shareholder of which he/she is a proxy of; and
- (iii) If he/she is a Corporate Representative, the name of the Corporate or Institutional Shareholder that he/she represents.

The Meeting noted that all resolutions to be put to vote were ordinary resolutions.

Y.A.M. Tan Sri Chairman informed that in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and pursuant to Article 92 of the Constitution of the Company, all resolutions set out in the Notice of the Meeting should be voted by poll via electronic means to expedite verification and counting of votes. Each shareholder/proxy/corporate representative will be provided with the e-voting device to cast his/her vote. The polling process would be conducted after the deliberation of each resolution on the Agenda by the share registrar, Securities Services (Holdings) Sdn. Bhd. as the poll administrator and Commercial Quest Sdn. Bhd. as the independent scrutineer to facilitate the poll process.

**1.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

Y.A.M. Tan Sri Chairman informed that the First item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. Y.A.M. Tan Sri Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2017 were meant for discussion only, as it did not require shareholders' approval under the provision of Section 251(1) of the Companies Act, 2016. As such, it would not be put forward for voting.

Y.A.M. Tan Sri Chairman then asked the floor for comments or questions in respect of the Audited Financial Statements.

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At this juncture, Mr. Devanesan a/l J. A. Evanson from Minority Shareholder Watchdog Group raised the following questions (Q):-

Q1: Reference is made to Note 22 to the Financial Statements on page 257 pertaining to ageing analysis of trade receivables. A significantly huge amount of trade receivables totaling RM134.747 million was impaired as compared to the total trade receivables of RM662.539 million, approximately 20% of total trade receivables.

Kindly identify the top three (3) trade debtors for each categories of revenue for the purpose of transparency on the elements that made up the financial statement of the Company.

Y. A. M. Tan Sri Chairman thanked Mr. Devanesan a/l J. A. Evanson and took note of his question. The CFO responded to Mr. Devanesan a/l J. A. Evanson's questions as follows:-

A1: The impairment was made based on the past trend and anticipated future loss as per MFRS 9, which is effective from January 2018.

On the identity of top 3 trade debtors for each category, the CFO informed that the amount is subject to further reconciliation due to adjustment made for late payment charges and provision of bad debt if there is any payment made in the current year. The debts are mostly due to various reasons, such as Passenger Service Charges, Late Payment Charges and other defaults in payment which are retails related etc. The main debtors are AirAsia Berhad, Malaysia Airlines Berhad, National Aerospace and Defence Industries Sdn Bhd and Malindo Airways Sdn Bhd. The CFO stressed that the Company is continuously pursuing collection of debt aggressively as MFRS 9 does not recognise repayment plan.

Mr. Wan Heng Wah (Mr. Wan), a shareholder, put forward questions in relation to the following:-

Q2: Reference is made to the announcement made pertaining to divestment of international airport at Male, Maldives and disposal of Rajiv Gandhi international airport at Hyderabad of 11% interest that resulted in proceeds of RM28.5 million and RM295.3 million, respectively.

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Consequently, this had resulted in reduction of gearing from 0.43% to 0.38%. What is the targeted gearing of the Company by the end of the financial year 2018?

The CFO responded to Mr. Wan's questions as follows:-

A2: Presently, the gross gearing ratio of the Company is at a manageable level of 0.63%. Additionally, the credit rating gearing and covenant of 1 time and Sukuk Covenant Rating of 1.25 times are well within the acceptable range. The gearing ratio would further improve once the proceeds from the divestment is received. However, the Company would need to allocate funds for the airport expansion and KLIA Aeropolis projects later on. The Company would endeavor to maintain the acceptable gearing ratio.

Mr. Wan further put forward a question in relation to the following:-

Q3: Does the Company look towards reaping the benefits of 10 years investment in Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim, Yapim Ve Isletme A.S. through divestment of equity stakes in ISG?

A3: Y. A. M. Tan Sri Chairman informed that the Company is still in negotiation with the relevant parties and is hopeful to be able to conclude by the end of 2018. As such, the Company would make the necessary announcement as and when necessary.

Mr. Wan further raised the following question:-

Q4: Could the Board elaborate on the development of MICE & Leisure and Subang Regeneration project.

Y. Bhg. Datuk MD responded to Mr. Wan's questions as follows:-

A4: The Company is unlocking the enormous potential for aerospace development in Subang Aerotech Park with opportunity of attracting aerospace investment into the area. 16 aerospace related companies with thousands of workers are currently on the land. The Company is

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in a synergistic collaboration with Axis REIT and Senior Aerospace's built-to-suit manufacturing plant and office facility that will serve its global supply chain as part of the initiative to revitalise the Subang Aerospace Ecosystem. With anticipation on the growing number on the incoming aircraft into Asia for the next 10 years, this brings opportunity to the Company and Malaysia to become the regional hub of business aviation.

Y. Bhg. Datuk MD further informed on the expansion plan of Terminal 3 of Subang Airport to accommodate 5 million passengers per annum and additional aircraft parking bays for more commercial flights and private jets as well as maintenance, repair and overhaul activities.

Mr. Chong Ah Lak (Mr. Chong), a shareholder, put forward question in relation to the following:-

Q5: In reference to the Chairman's statement on Page 57 of the Annual Report 2017, there is a statement on the establishment of the Malaysian Aviation Commission (MAVCOM) as an independent regulator that will ensure that Malaysia has a commercially viable, consumer-oriented and resilient civil aviation industry. It is further stated that it will have an oversight in improving airport service levels and regulating airport charges.

I had read news in January this year which highlighted on the cleanliness of washroom in airport. In fact after that, there was a passenger who took MAS flight to Sydney who complained about the toilet in the aircraft which was not usable.

I think this had prompted the Management as highlighted in Page 71 of the Annual Report 2017, where it is stated that MAHB is currently undertaking a major refurbishment project for 224 washrooms at KLIA. It is good that the Management has taken this seriously. However, a study showed that it is not the washroom that is the dirtiest place in the airport but the first in ranking is the touch screen in the terminal, followed by the check-in counter and the chairs' arm rest at the departure hall.



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My question is, with regard to the impairment of trade receivable, this morning, in my hand phone I received news which said that Air Asia is submitting its defence for a claim of RM35 million from MAHB. Is it a true story or a fake news?

Y.A.M. Tan Sri Chairman responded to Mr. Chong's question as follows:-

A5: Thank you for your comments on the hygienic standpoint and for correctly pointed out on the cleanliness. We are very concerned about the cleanliness because the quality of service by MAVCOM will come into play in July and they can penalise us up to the maximum of 5% of the airport's aeronautical revenue and this would affect the bottom line, hence, we are taking this matter seriously. We have also placed a dedicated person whose is designated as "Head of Customer Advocacy" to specifically look into this issue.

During my first day as the Chairman of MAHB, I took a train straight to the airport and visited the toilets at the Airport to see the condition. We had also trained our employees or persons-in-charge for the toilet to ensure the cleanliness. They will be rewarded if the toilets under their care are clean. Here, we will always try to improve our services.

With regard to the news on Air Asia, there is a different point of view between Air Asia and MAHB on this issue.

The CFO further responded to Mr. Chong's question as follows:-

A5: Even though, I have not personally read the news in relation to Air Asia, MAHB had actually filed the claim against Air Asia X. Typically, a party who receives the claim will have fourteen (14) days to respond and file the defence. It is the normal legal process and procedure for parties to comply.

Mr. Ho Yueh Weng (Mr. Ho), a shareholder, put forward question in relation to the following:-

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Q6: I have noticed that many of your investors are big investors who invest in big funds. We, being minority shareholders do not have much opportunity to get privy to some information. Sometimes, MAHB is doing roadshow to bring them in. I want to take this opportunity to ask, because we invest based on the return that we get on the price per share and we can expect to get dividend from the Company. If the dividend is good, the capital appreciation will come in. The Company have done better this year as compared to the previous year. What can we expect next year if the Company performs according to the plan? When the Company meets the plan, what we can expect out of the revenue and earnings?

You also talked about a number of your plans including RtS2020 as future plan. You have also invested overseas. I look at your segment information, the aero services is a major segment in the revenue. It gives its spill-over effect to other segment namely non-aero business. In the overseas' aero business, the Company is making losses but the Company still want to go for overseas' business. What is the Company's plan now on this? Are you hoping that the Company can make money by monetising those shares? Will you give us the Company's perspective?

Y.A.M. Tan Sri Chairman responded to Mr. Ho's question as follows:-

A6: In respect of overseas venture, it is done on selective basis. Business in Malaysia is still our core business. We should do extremely well in our business in Malaysia. We can still grow organically by doing our business efficiently and productively. For overseas, we must look stringently and robustly and we do not simply invest in any country. The Board had already told the Management that investment overseas must be done selectively. As you have correctly pointed out, we have monetised our investment in Hyderabad, Male and so on. Hopefully also, we are looking for a potential partner in Turkey. Monetisation is perhaps something that we will look into so as not to burden the holding company. With the money, perhaps we should look at other areas. We know our constraints and what the risks are. Whenever we go overseas, I would compare MAHB with the best companies in the world.

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Y. Bhg. Datuk MD also responded to Mr Ho's question as follows:-

A6: First of all, let me introduce the team from Turkey consisting of the Chief Executive Officer, Chief Financial Officer and Company Secretary who are present here today. These are the new management team that came in for the last twelve (12) months.

To take us through the projections of our investment in Turkey, in my presentation, the boarding hall that we have been committed will take us from 33 million capacity to 41 million capacity. The Turkey Government had already committed to our airport to build its second runway which is being done today. We are very happy to report that it is progressing well and will be opened next year. This means that it will take us to attract even more traffic in ISG, from single runway to two runways. The Government is paying for the runway.

If you follow the news, the Main Airport in Istanbul, namely Ataturk Airport, will be closed once the new mega airport is open. The new mega airport is located about 60-70 km up-north from Istanbul city center. That will be their 'KLIA'. That would effectively mean that our airport in Istanbul will be the city airport. Those elements actually make our assets more attractive. As Y.A.M. Tan Sri Chairman had mentioned, we are now in a very delicate negotiation with potential strategic investors.

We are not only monetising our assets, much like what we have done with other assets but also looking on how we can continue to grow and obviously turn ISG into profitability. 1/3 of the total traffic into ISG are international passengers and we intend to increase the volume, so the new boarding hall, the new second runway by the Government, the movement of the Main Airport up-north etc, makes us in a more attractive position. So it is not only monetisation that we look towards as we bring in new equity investors but also turning around this great asset into a very profitable one.

As Y.A.M. Tan Sri Chairman also mentioned, the strategy for international venture is very selective. Not just today, but you can look back to our track record of past experiences, we have been very

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prudent investor when we go abroad. That is an advantage for a large airport operator like MAHB to be courted. Look at other assets overseas, we are still being courted. When we go abroad, it is not necessarily that we are taking equity interest. Our international expansion and ambition also includes running airports without taking any equity position. We have several advantages because we run 39 airports in Malaysia of various sizes. With different categories of airport, we know how to monetise different size of airports, how to attract airlines and commercial retailer into airports of different sizes. That is what make us a more attractive partner when we go abroad. We run, manage, operate and maintain like what we are doing now in Hammad International Airport, Doha in Qatar as part of our international investment.

As Y.A.M. Tan Sri Chairman said, our Board and Management are very prudent in moving forward and obviously being mindful of the returns to the Company as well as to the shareholders.

Mr Ho further raised the following question:-

Q7: Since you did not mention anything about the prospect, I believe the Company is struggling to maintain the current earnings, am I right to assume that?

The CFO responded to Mr. Ho's question as follows:-

A7: To recap on my last slide, our passenger growth is still in upward trajectory and we are forecasting 6.3% passenger growth this year. For ISG, we are forecasting about 7% growth. We are actually anticipating the EBITDA to cross the RM2 billion mark higher. We are not forecasting a decline. We are still forecasting the growth.

Mr Ho further put forward questions in relation to the following:-

Q8: In reference to Page 63 of the Annual Report 2017, is your financial position and cash flow sufficient to cover all your working capital, borrowings as well as payment of borrowings, interests and other capital expenditure for the next twelve (12) to eighteen (18) months.

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You should be able to pay your 'Sukuk' of RM250 million and so on. What is the scenario after the eighteen (18) months because the Company has a huge amount of borrowings to pay back?

Q9: In light of this, the airline industry has been quite successful because the oil price came down at that time. Currently, things are going up. Could the Company please give us some perspective if the oil price keeps on going up? All projection on the airline growth may not be achieved and what then will the Company do?

Q10: On the same page, could you clarify on the economic profit. In reference to Page 63 of the Annual Report 2017, the Group recorded an economic loss of RM675.3 million as compared to RM662 million in the previous year. I do not understand that if this business brings an economic loss, what is good about this business? It was stated that the reasons for the economic loss are due to higher operating earnings and weighted average cost of capital. I thought if the Company is gaining operating earnings, it should be positive economically. Why then is it an economic loss? Could the Company please give us some perspective?

Q11: In reference to Page 253 of the Annual Report 2017, you have investments which had been stated earlier in the Management Report where you can monetise your bonds and unit trust.

My first question is on unit trust. You have a decline on unit trust, previously of RM186 million. Now, it has dropped to RM102.5 million. What is the reason for the decline? Is it because the Company has sold it off or has the Company made losses investing in unit trusts?

CFO responded to Mr. Wan's questions as follows:-

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A8: The Company is aware of the amount of borrowings and thus, is managing the gearing ratio closely, not just for the current liquidity but also the future. The Company is continuously improving the disclosure to the shareholders on the Company's website and regulatory announcement. Initiatives, such as the Quality of Service that require meeting the acceptable level of services and Regulated Asset Base that depart from the price regulated environment to price monitoring environment, which would be implemented later by the Malaysian Aviation Commission, would enable the Company and stakeholders to predict the results and performance of the Company with certainty.

A9: The Financial Statements of the Company contains a hedge reserve in IRS floating swap that manages interest movements for the Company through various hedging strategies.

A10: The main reason for the economic loss is due to the movement of the Weighted Average Cost of Capital.

A11: There was a movement in the unit trust through disposal of certain units made by the end of 2017. However, the appreciation in value was enjoyed at the beginning of 2018. The CFO further explained that the unquoted investment outside Malaysia is relating to dividend received from Hyderabad.

Mr. Ho put forward another question in relation to the following:-

Q12: The Company was ranked at 10<sup>th</sup> for the Airport Service Quality (ASQ). However, currently the Company is placed at 12<sup>th</sup>. Why the plans are not working despite efforts of the Company to return to 10<sup>th</sup> position?

A12: In 2017, there are three (3) new airports of which the ASQ scores are higher than the 20-year old KLIA. The ASQ scores for KLIA is stagnant and the Company is working very hard to maintain the service standard of an aging infrastructure through refreshment of commercial offerings and refurbishment plan for services and facilities upgrades, such as trains, toilets etc. As KLIA is a live airport, the programs would take longer time to complete. The Company is optimistic that the scores

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would rise up with the implementation of the initiatives by the Company.

The Meeting thereafter unanimously **agreed** that the Audited Financial Statements for the financial year ended 31 December 2017, together with the Reports of the Directors and Auditors thereon, were taken as read.

**2.0 TO DECLARE AND APPROVE THE PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 8.00 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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Y.A.M. Tan Sri Chairman informed that the Second item on the Agenda was to consider the payment of a final single-tier dividend of 8.00 sen per ordinary share in respect of the financial year ended 31 December 2017.

Y.A.M. Tan Sri Chairman then asked the floor for comments or questions.

Mr. Wan Chap@Yap Kim Tong (shareholder) proposed the motion to declare and pay a final single-tier dividend of 8 sen per ordinary share in respect of the financial year ended 31 December 2017.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,265,258,953    | 99.9986 | 17,358           | 0.0014 |

As the requisite majority votes have been obtained for Resolution 1, Y.A.M Tan Sri Chairman declared that Resolution 1 is **passed**.

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It was **RESOLVED**:

**THAT** the payment of a final single-tier dividend of 8.00 sen per ordinary share in respect of the financial year ended 31 December 2017 be and is hereby approved.

**3.0 TO APPROVE THE PAYMENT OF DIRECTORS' FEES UP TO AN AMOUNT OF RM2,628,000.00 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY WITH EFFECT FROM 9 MAY 2018 UNTIL THE NEXT 20<sup>TH</sup> AGM IN 2019 AS FOLLOWS:**

- (I) PAYMENT MADE BY THE COMPANY AMOUNTING TO RM1,260,000.00; AND**  
**(II) PAYMENT MADE BY THE COMPANY'S SUBSIDIARIES AMOUNTING TO RM1,368,000.00.**
- 

Y.A.M. Tan Sri Chairman informed that the Third item on the Agenda was to approve the payment of Directors' Fees up to an amount of RM2,628,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019, as follows:-

- (i) Payment made by the Company amounting to RM1,260,000.00; and  
(ii) Payment made by the Company's Subsidiaries amounting to RM1,368,000.00.

The Meeting was highlighted that Section 230(1) of the Companies Act 2016, stated that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting, and the Board agreed that the shareholders' approval should be sought at the 19<sup>th</sup> AGM on the Directors' fees and benefits payable from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019.

The Meeting was further highlighted that the estimated amount of RM2,628,000.00 for the Directors' fees is derived from a total of RM1,260,000.00 for the period of 9 May 2018 until the next AGM in 2019 for MAHB and a total of RM1,368,000.00 for the period from 9 May 2018 until the next AGM in 2019 for MAHB Subsidiaries, based on the framework of the payment of Directors' fees as follows



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| <b>No.</b> | <b>Description</b>                            | <b>Chairman</b>           | <b>NEDs</b>              |
|------------|---|---------------------------|--------------------------|
| 1.         | <i>MAHB Directors' Fee</i>                    | <i>RM15,000 per month</i> | <i>RM9,000 per month</i> |
| 2.         | <i>Directors' Fees for MAHB Subsidiaries:</i> |                           |                          |
|            | <i>2.1. First Tier Companies</i>              | <i>RM4,000 per month</i>  | <i>RM3,000 per month</i> |
|            | <i>2.2. Second Tier Companies</i>             | <i>RM3,000 per month</i>  | <i>RM2,000 per month</i> |

Y.A.M. Tan Sri Chairman further informed that the Board was of the view that the Non-Executive Directors on the Boards of MAHB Subsidiaries should be accorded with monthly Directors' fees over and above the Meeting Allowances that are currently paid to the respective external Directors and Non-Executive Directors of MAHB Subsidiaries. Payment of the Non-Executive Directors' fees will be made by the Company on a monthly basis and/or as and when incurred should the proposed Resolution 2 be passed at this AGM.

The Meeting noted that the Board was of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' fees on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period. In the event where the payment of Directors' fees during the Relevant Period exceeds the estimated amount sought in this AGM, a shareholders' approval is to be sought in the next AGM in 2019 on the payment of the exceeded amount.

In determining the estimated total amount of Directors' fees payable for the Non-Executive Directors of the Company from 9 May 2018 until the next 20<sup>th</sup> AGM, the Board has considered additional provisional sum for future appointment of Non-Executive Directors of the Company on the Boards of Subsidiaries due to business expansion as well as review of composition of Boards of Subsidiaries.

Y.A.M. Tan Sri Chairman then asked the floor for comments or questions.

Mr. Sang Eng Soon (shareholder) proposed the motion for the payment of the Directors' Fees up to an amount of RM2,628,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019 as follows:-

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- (i) Payment made by the Company amounting to RM1,260,000.00; and
- (ii) Payment made by the Company's Subsidiaries amounting to RM1,368,000.00.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |         |
|------------------|---------|------------------|---------|
| Number of Shares | %       | Number of Shares | %       |
| 1,099,681,554    | 87.0301 | 163,883,052      | 12.9699 |

As the requisite majority votes have been obtained for Resolution 2, Y.A.M Tan Sri Chairman declared that Resolution 2 is **passed**.

It was **RESOLVED**:

**THAT** the payment of Directors' Fees up to an amount of RM2,628,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019, be and is hereby approved as follows:-

- (i) Payment made by the Company amounting to RM1,260,000.00; and
- (ii) Payment made by the Company's Subsidiaries amounting to RM1,368,000.00.

**4.0 TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM2,338,000.00 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY WITH EFFECT FROM 9 MAY 2018 UNTIL THE NEXT 20<sup>TH</sup> AGM IN 2019, AS FOLLOWS:**

- (I) PAYMENT MADE BY THE COMPANY AMOUNTING TO RM1,775,000.00; AND**
- (II) PAYMENT MADE BY THE COMPANY'S SUBSIDIARIES AMOUNTING TO RM563,000.00**

Y.A.M. Tan Sri Chairman informed that the Fourth item on the Agenda was to approve the payment of Directors' Benefits up to an amount of RM2,338,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019, as follows:-

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- (i) Payment made by the Company amounting to RM1,775,000.00; and
- (ii) Payment made by the Company's Subsidiaries amounting to RM563,000.00.

The Meeting was highlighted that the Directors' benefits payable comprises the allowances, other emoluments and other claimable benefit payable to the Chairman and Non-Executive Directors of MAHB.

The Meeting was further highlighted that the estimated amount of RM2,338,000.00 for the Directors' benefits payable to the Non-Executive Directors of the Company is derived from the payment made by the Company and the subsidiaries amounting to RM1,775,000.00 and RM563,000.00 respectively for the period from 9 May 2018 until the next 20<sup>th</sup> AGM in 2019.

In determining the estimated total amount of Directors' benefits payable for the Non-Executive Directors of the Company from 9 May 2018 until the next 20<sup>th</sup> AGM, the Meeting noted that the Board has considered various factors including the number of scheduled meetings for the Board, Board Committees, Board of Subsidiaries and Management Committees as well as the number of Non-Executive Directors involved in these meetings based on the current number of Non-Executive Directors and has included additional provisional sum for future appointment of Non-Executive Directors of the Company on the Boards of Subsidiaries and increase in number of Board and committee meetings due to business expansion as well as review of composition of Boards of Subsidiaries.

Y.A.M. Tan Sri Chairman informed that the payment of the Non-Executive Directors' benefits payable will be made by the Company on a monthly basis and/or as and when incurred should the proposed Resolution 3 have been passed at this AGM.

The Meeting noted that the Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the benefits payable on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period. In the event where the payment of Directors' benefits payable during the Relevant Period exceed the estimated amount sought in this AGM, a shareholders' approval is to be sought in the next AGM in 2019 on the payment of the exceeded amount.

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Y.A.M. Tan Sri Chairman then asked the floor for comments or questions.

Mr. Sang Eng Soon (shareholder) proposed the motion for the payment of the Directors' Benefits up to an amount of RM2,338,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20th AGM in 2019 as follows:-

- (i) Payment made by the Company amounting to RM1,775,000.00; and
- (ii) Payment made by the Company's Subsidiaries amounting to RM563,000.00.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,263,390,058    | 99.9878 | 153,934          | 0.0122 |

As the requisite majority votes have been obtained for Resolution 3, Y.A.M Tan Sri Chairman declared that Resolution 3 is **passed**.

It was **RESOLVED**:

**THAT** the payment of Directors' Benefits up to an amount of RM2,338,000.00 to the Non-Executive Directors of the Company with effect from 9 May 2018 until the next 20th AGM in 2019, be and is hereby approved as follows:-

- (i) Payment made by the Company amounting to RM1,775,000.00; and
- (ii) Payment made by the Company's Subsidiaries amounting to RM563,000.00.

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**5.0 TO RE-ELECT Y.A.M. TAN SRI DATO' SERI SYED ZAINOL ANWAR IBNI SYED PUTRA JAMALULLAIL WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 129 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION**

---

As Y.A.M. Tan Sri Chairman was standing for re-election, Y.A.M. Tan Sri Chairman proposed that the Senior Independent Director, Y. Bhg. Datuk Seri Yam Kong Choy to take over the Chairmanship of this meeting for Resolution 4.

Y. Bhg. Datuk Seri Yam Kong Choy consented to take over the Chairmanship for Resolution 4 and proceeded with the meeting.

The Meeting was highlighted that Tan Sri Dato' Seri Syed Anwar Jamalullail had indicated his willingness to be re-elected.

Mr. Chong Wen Hong (shareholder) proposed the motion for Y.A.M. Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |         |
|------------------|---------|------------------|---------|
| Number of Shares | %       | Number of Shares | %       |
| 1,095,422,249    | 89.1519 | 133,291,671      | 10.8481 |

As the requisite majority votes have been obtained for Resolution 4, Y. Bhg. Datuk Seri Chairman declared that Resolution 4 is **passed**.

It was **RESOLVED**:

**THAT** Y.A.M. Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail, who retired pursuant to Article 129 of the Company's Constitution and who being eligible, offered himself for re-election, be and is hereby re-elected as Director of the Company.

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At this juncture, Y. Bhg. Datuk Seri Yam Kong Choy congratulated Y.A.M. Tan Sri Chairman and passed the Chair to him.

**6.0 TO RE-ELECT ENCIK MOHD KHAIRUL ADIB ABD RAHMAN WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 129 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION**

---

Y.A.M. Tan Sri Chairman informed that the Sixth item on the Agenda was to re-elect Encik Mohd Khairul Adib Abd Rahman who was retiring in accordance with Article 129 of the Company's Constitution.

The Meeting was highlighted that Encik Mohd Khairul Adib Abd Rahman had indicated his willingness to be re-elected.

Mr. Poravi a/l S. P. Sithambaram Pillay (shareholder) proposed the motion for Encik Mohd Khairul Adib Abd Rahman to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,113,406,224    | 90.6018 | 115,495,220      | 9.3982 |

As the requisite majority votes have been obtained for Resolution 5, Y.A.M. Tan Sri Chairman declared that Resolution 5 is **passed**.

It was **RESOLVED**:

**THAT** Encik Mohd Khairul Adib Abd Rahman, who retired pursuant to Article 129 of the Company's Constitution and who being eligible, offered himself for re-election, be and is hereby re-elected as Director of the Company.

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**7.0 TO RE-ELECT PUAN HAJAH JAMILAH DATO' HASHIM WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 129 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-ELECTION**

---

Y.A.M. Tan Sri Chairman informed that the Seventh item on the Agenda was to re-elect Puan Hajah Jamilah Dato' Hashim, who was retiring in accordance with Article 129 of the Company's Constitution.

The Meeting was highlighted that Puan Hajah Jamilah Dato' Hashim had indicated her willingness to be re-elected.

Puan Nora binti Abdul Wahab (shareholder) proposed the motion for Puan Hajah Jamilah Dato' Hashim to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,198,705,432    | 94.7422 | 66,523,091       | 5.2578 |

As the requisite majority votes have been obtained for Resolution 6, Y.A.M. Tan Sri Chairman declared that Resolution 6 is **passed**.

It was **RESOLVED**:

**THAT** Puan Hajah Jamilah Dato' Hashim, who retired pursuant to Article 129 of the Company's Constitution and who being eligible, offered herself for re-election, be and is hereby re-elected as Director of the Company.

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**8.0 TO RE-ELECT DATUK SERI YAM KONG CHOY WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 131 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION**

---

Y. Bhg. Tan Sri Chairman informed that the Eighth item on the Agenda was to re-elect Y. Bhg. Datuk Seri Yam Kong Choy who was retiring in accordance with Article 131 of the Company's Constitution.

The Meeting was highlighted that Y. Bhg. Datuk Seri Yam Kong Choy had indicated his willingness to be re-elected.

Mr. Wong See Kai (shareholder) proposed the motion for Y. Bhg. Datuk Seri Yam Kong Choy to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,243,780,182    | 98.3027 | 21,475,357       | 1.6973 |

As the requisite majority votes have been obtained for Resolution 7, Y.A.M. Tan Sri Chairman declared that Resolution 7 is **passed**.

It was **RESOLVED**:

**THAT** Y. Bhg. Datuk Seri Yam Kong Choy, who retired pursuant to Article 131 of the Company's Constitution and who being eligible, offered himself for re-election, be and is hereby re-elected as Director of the Company.



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(Minutes of the 19<sup>th</sup> Annual General Meeting held on 8 May 2018 – cont'd)

**9.0 TO RE-ELECT DATUK ZALEKHA HASSAN WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 131 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-ELECTION**

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Y. Bhg. Tan Sri Chairman informed that the Ninth item on the Agenda was to re-elect Y. Bhg. Datuk Zalekha Hassan, who was retiring in accordance with Article 131 of the Company's Constitution.

The Meeting was highlighted that Y. Bhg. Datuk Zalekha Hassan had indicated her willingness to be re-elected.

Mr. Yee Yuet Kheong (shareholder) proposed the motion for Y. Bhg. Datuk Zalekha Hassan to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,245,770,623    | 98.4620 | 19,459,601       | 1.5380 |

As the requisite majority votes have been obtained for Resolution 8, Y.A.M. Tan Sri Chairman declared that Resolution 8 is **passed**.

It was **RESOLVED**:

**THAT** Y. Bhg. Datuk Zalekha Hassan, who retired pursuant to Article 131 of the Company's Constitution and who being eligible, offered herself for re-election, be and is hereby re-elected as Director of the Company.

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**10.0 TO RE-ELECT ENCIK ROSLI ABDULLAH WHO SHALL RETIRE IN ACCORDANCE WITH ARTICLE 131 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION**

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Y. Bhg. Tan Sri Chairman informed that the Tenth item on the Agenda was to re-elect Encik Rosli Abdullah, who was retiring in accordance with Article 131 of the Company's Constitution.

The Meeting was highlighted that Encik Rosli Abdullah had indicated his willingness to be re-elected.

Encik Wan Rasdi bin Wan Ahmad Isa Shukri (shareholder) proposed the motion for Encik Rosli Abdullah to be re-elected as Director of the Company.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,258,887,437    | 99.5043 | 6,270,993        | 0.4957 |

As the requisite majority votes have been obtained for Resolution 9, Y.A.M. Tan Sri Chairman declared that Resolution 9 is **passed**.

It was **RESOLVED**:

**THAT** Encik Rosli Abdullah, who retired pursuant to Article 131 of the Company's Constitution and who being eligible, offered himself for re-election, be and is hereby re-elected as Director of the Company.

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**11.0 TO RE-APPOINT MESSRS. ERNST & YOUNG AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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Y.A.M. Tan Sri Chairman informed that the Eleventh item on the Agenda was to re-appoint Messrs. Ernst & Young (EY) as Auditors of the Company until the conclusion of the next Annual General Meeting, and to authorize the Directors to fix their remuneration.

Mr. Lim Leow Chee (shareholder) proposed the motion for the re-appointment of Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.

The motion was put to the Meeting for voting by e-polling, and the result which had been verified by the scrutineers from Commercial Quest Sdn. Bhd. is as follows:-

| For              |         | Against          |        |
|------------------|---------|------------------|--------|
| Number of Shares | %       | Number of Shares | %      |
| 1,245,134,581    | 98.5634 | 18,148,657       | 1.4366 |

As the requisite majority votes have been obtained for Resolution 10, Y.A.M. Tan Sri Chairman declared that Resolution 10 is **passed**.

It was **RESOLVED**:

**THAT** Messrs. Ernst & Young be and is hereby re-appointed as Auditors of the Company for the ensuing year **AND THAT** the Directors be and hereby authorized to fix their remuneration.

**NOTICE OF APPRECIATION**

On behalf of the Board and Management, Y.A.M. Tan Sri Chairman thanked the members for their attendance and continued support to the Company.

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Further, Y.A.M. Tan Sri Chairman, on behalf of the Board and members of the Company, recorded the utmost appreciation to Y. Bhg. Dato' Sri Dr. Mohmad Isa bin Hussain who will be resigning as Director of the Company with effect from 10 May 2018, pursuant to his retirement from the Ministry of Finance.

The Company are grateful for his valuable contribution to the Board and to the Company. He has been instrumental to the continued success of the Company.

Y. Bhg. Datuk MD invited the shareholders to join him in thanking Y.A.M. Tan Sri Chairman for chairing the Annual General Meeting.

**TERMINATION**

There being no notice received to transact any other business (as confirmed by the Company Secretary).

The Meeting terminated at 1.30 p.m. with a vote of thanks to Y.A.M. Tan Sri Chairman.

SIGNED AS A CORRECT RECORD

  
CHAIRMAN

Dated: 28 May 2018