

TADMAX RESOURCES BERHAD (8184-W)
(Incorporated in Malaysia)

MINUTES of the Forty-Eighth Annual General Meeting (“48th AGM”) of the Company held at Room KL1, KL Seafood Market, Restoran 1, Aras 5, Ruang Letak Kereta Bertingkat, Seksyen 59, Jalan Cenderawasih, Taman Tasik Perdana, 50480 Kuala Lumpur on Tuesday, 16 May 2017 at 11.00 a.m.

- PRESENT : The Board of Directors
: Tan Sri Datuk Dr Abdul Samad bin Haji Alias, *Chairman*
: Datuk Seri Anuar bin Adam (Managing Director)
: Datuk Aldillan bin Anuar (*Deputy Managing Director*)
: Dato’ Che Abdullah @ Rashidi bin Che Omar (Executive Director)
: Datuk Noel John A/L M Subramaniam (Executive Director)
: Mr Derek John Fernandez
: Dato’ Samsudin bin Abu Hassan
- ABSENT WITH APOLOGIES : Datuk Gan Seong Liam
: Mr Tan Peng Koon
- : Shareholders, Proxies & Invitees
: As per Attendance List.
- IN ATTENDANCE : Ms Irene Chew (Secretary)
: Ms Jegajothy Jeganantham

1. QUORUM

The Chairman welcomed the shareholders to the Company’s 48th AGM and upon confirming the presence of a quorum pursuant to Article 49 of the Company’s Constitution, duly called the meeting to order at 11.00 a.m.

2. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

The Chairman reported that the Company had received 73 valid proxies representing 39.57% of the Company’s issued share capital.

Before the Meeting proceeded with the first item of the agenda, the Chairman invited Datuk Aldillan bin Anuar, the Deputy Managing Director, to give a presentation on the following business segments of the Group and the activities undertaken in the past one year:-

i) Property Development

The projects undertaken are:-

- a) **Ganggarak Permai** in Labuan, an affordable housing project which involves the construction of 1,560 units of affordable apartment and a commercial complex, encompassing 4 phases. The estimated Gross

Development Value (GDV) is RM667 million. It was first launched in mid-2015 and to date, half of the 1,560 units have been sold.

- b) **Mizumi Residences** in Taman Metropolitan, Kepong, comprised 3 blocks of condominiums consisting of 1,512 units (Phase 2) – Launched in end February 2017. The official launch of Phase 2 is scheduled to commence in the 2nd half of FY2017. Another portion of the land is earmarked for the construction of 3 blocks of affordable apartments under RUMAHWIP consisting of 1,520 units (Phase 1). The total estimated Gross Development Value (GDV) is RM981 million for both phases.

The Group would continue to focus and identify landbank that are strategically located for future development for properties where the selling price is targeted below RM500,000 per unit.

Total Value

The total turnover contribution from the Property Segment is estimated at RM1.5 billion with a corresponding estimated gross development cost of RM1.3 billion over a 5-year horizon.

Performance

- Ganggarak Permai has sold 3 blocks for a total sales consideration of RM130 million.
- The demand for Mizumi Residence is very promising with approximately 82% of the 2 blocks launched comprising of 1,052 units booked.
- Turnover for year 2018 to 2021 are anticipated to exceed RM200 million per annum arising from both Ganggarak Permai and MIZUMI Residences.

ii) Industrial Supplies

This segment contributed to a healthy Profit before Tax of RM1.21 million in 2016 versus a loss of RM177,000 in 2015.

Tadmax Concrete (Labuan) Sdn Bhd, a wholly-owned subsidiary has been set up to provide ready-mixed concrete (RMC) and aggregates, in order to support the Group's ongoing Ganggarak Permai project and the construction related activities in Labuan.

iii) Timber and Plantation

The timber cum plantation asset is located in Boven Digoel, Papua, Republic of Indonesia is 80,000 hectares in size and is free from encumbrances. The Company plans to monetize the Papua land via sale and/or joint venture.

iv) Energy (new Business Segment)

Datuk Syed Azmi the Managing Director of Tadmax Indah Power Sdn Bhd (Formerly known as Kirana Abadi Sdn Bhd) was invited to brief the Meeting on the Energy Segment. He stated that Tadmax Resources Berhad (TRB) (project sponsor) received a conditional letter of award in August 2016 for the development of 1,000MW combined cycle gas-fired (CCGT) power plant at Pulau Indah, Selangor. In October 2016, the capacity was approved to 1,000MW-1,200MW.

The capital cost is currently estimated at RM3.5 billion for a 1,000MW to 1,200MW CCGT.

The Power Purchase Agreement (PPA) is for 21 years from Scheduled Commercial Operations Date (SCOD) on 1 January 2023. Tadmax Indah Power Sdn Bhd (TIPS), a wholly-owned subsidiary of TRB, who owns the land at Pulau Indah would undertake this project. The land measuring 60 acres is valued at RM100 million in January 2017 vis-à-vis net carrying value of RM25.6 million.

On the financial overview, Mr Pow took the Meeting through the Operating Results – Revenue, Segmental Revenue Breakdown, Operating Results – Profit after Tax, Segmental Operating (Loss)/Profit breakdown for the past 5 years, from FY2012 to FY2016.

Shareholders' Equity and Net Assets per share for FY2016 was recorded at RM250.43 million and 51.1 sen respectively.

Gearing ratio increased from 1% to 14% in FY2016 due to the drawdown of bridging loans taken for the Group's property development business segment.

The Chairman thanked Management for their presentation and proceeded with the Meeting.

He informed that voting for all the ordinary resolutions as set out in notice of the AGM will be carried out by poll in line with Bursa's Listing Requirements. SharePolls Sdn Bhd, an independent scrutineer has been appointed to validate the votes and ShareWorks Sdn Bhd has been appointed as the Poll Administrator.

The Chairman invited Mr Liew from ShareWorks Sdn Bhd to brief the shareholders on the conduct of the e-Polling and how to use the polling device before proceeding to discuss Agenda 1.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors having been circulated to all the Members within the prescribed period was taken as read.

The Chairman thereupon invited questions from the floor.

Mr. Chiew Sing Cheong @ Chew Sing Cheong (Mr Chiew), a shareholder thanked the Board for the informative presentation on the overview of the operation and financial performance of the Group. Mr Chiew enquired on the sales progress of Mizumi Residences and was informed by Mr Jayden Gan, the Director of Wawasan Metro Bina Sdn Bhd that 2 blocks of condominiums have been launched of which more than 800 units out of the 1,052 units launched have been booked. The third block is scheduled to be launched in July 2017 and would comprise 460 units.

On the Ganggarak Permai project, Mr Dinesh Kumar (Mr Dinesh), a proxy holder enquired on the potential liquidated ascertained damages (LAD) exposure as stated on page 12 of the Annual Report and the reasons for the delay. Datuk Seri Anuar informed that the delay was mainly due to the difficulty in securing construction labourers due to the tight rules laid down by the relevant authorities in the recruitment of foreign labourers. Datuk Seri Anuar thereafter invited En Malik, the Chief Executive Officer of Ganggarak Development Sdn. Bhd., to brief the shareholders.

En Malik informed that besides difficulty in securing construction labourers, the weather in Labuan is unpredictable and this has resulted in an increase in cost. Further, the procurement of raw materials were challenging as purchasing of certain products from Sabah or Sarawak is subject to compliance with certain regulations. There are currently 300 workers working on the site and significant progress has been recorded. On the exposure to the Company, En Malik informed that the LAD is adequately covered by the LAD payable by the appointed contractor to the Group.

En Malik was optimistic that the Ganggarak Permai project would be completed by February 2018 and delivered to the purchasers by May 2018. The Sale and Purchase Agreement stipulates that delivery to the purchasers is 3 years whilst the delivery timeline by the Contractor is 2 years.

Mr Dinesh went on to enquire if the energy business segment has identified their potential joint venture partner (JV partner) to which Datuk Syed Azmi, informed that various technical feasibility studies are currently being undertaken before commencing negotiation with the JV partner. The JV partner would most likely be a party who had the relevant expertise and technical experience to transfer knowledge to the Company.

Next, Mr Tan Kim Seng (KS) enquired if the Group had plans for the plantation property. Datuk Seri Anuar informed that the long term plan is to monetize the Papua land via sale and/or joint venture as the principal focus of the Group is currently on the Energy project.

After all questions had been satisfactorily answered and there being no further questions, the Audited Financial Statements for the financial year ended 31 December 2016 were received.

4. TO APPROVE THE DIRECTORS' FEES OF RM203,774 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (ORDINARY RESOLUTION 1)

The poll result in respect of Ordinary Resolution 1 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 1	194,600,332	99.9781	45,592	0.0219

As 194,600,332 shares representing almost 100% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 1 duly passed:-

“THAT the payment of Directors' fees of RM203,774 for the financial year ended 31 December 2016 be hereby approved.”

5. TO APPROVE AN AMOUNT OF RM26,250 AS BENEFITS PAYABLE TO NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (ORDINARY RESOLUTION 2)

The poll result in respect of Ordinary Resolution 2 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 2	193,793,626	99.8841	224,887	0.1159

As 193,793,626 shares representing 99.88% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 2 duly passed:-

“THAT the payment of an amount of RM26,250 as benefits to Non-Executive Directors for the financial year ended 31 December 2016 be hereby approved.”

6. RE-ELECTION OF DATUK NOEL JOHN A/L M SUBRAMANIAM WHO RETIRES PURSUANT TO ARTICLE 90 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 3)

In accordance with Article 90 of the Company's Constitution, Datuk Noel John A/L M Subramaniam was due to retire and being eligible, has offered himself for re-election.

The poll result in respect of Ordinary Resolution 3 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 3	192,713,463	100	-	-

As 192,713,463 shares representing 100% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 3 duly passed:-

“THAT Datuk Noel John A/L M Subramaniam retiring pursuant to Article 90 of the Company’s Constitution, and being eligible be hereby re-elected as Director of the Company.”

7. RE-ELECTION OF DEREK JOHN FERNANDEZ WHO RETIRES PURSUANT TO ARTICLE 90 OF THE COMPANY’S CONSTITUTION (ORDINARY RESOLUTION 4)

In accordance with Article 90 of the Company’s Constitution, Derek John Fernandez was due to retire and being eligible, has offered himself for re-election.

The poll result in respect of Ordinary Resolution 4 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 4	193,855,809	99.9997	667	0.0003

As 193,855,809 shares representing almost 100% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 4 duly passed:-

“THAT Derek John Fernandez retiring pursuant to Article 90 of the Company’s Constitution, and being eligible be hereby re-elected as Director of the Company.”

8. RE-ELECTION OF DATUK ALDILLAN BIN ANUAR WHO RETIRES PURSUANT TO ARTICLE 90 OF THE COMPANY’S CONSTITUTION (ORDINARY RESOLUTION 5)

In accordance with Article 90 of the Company’s Constitution, Datuk Aldillan bin Anuar was due to retire and being eligible, has offered himself for re-election.

The poll result in respect of Ordinary Resolution 5 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 5	194,694,237	99.9758	47,044	0.0242

As 194,694,237 shares representing 99.98% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 5 duly passed:-

“THAT Datuk Aldillan bin Anuar retiring pursuant to Article 90 of the Company’s Constitution, and being eligible be hereby re-elected as Director of the Company.”

9. RE-ELECTION OF DATUK GAN SEONG LIAM WHO RETIRES PURSUANT TO ARTICLE 95 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 6)

In accordance with Article 95 of the Company's Constitution, Datuk Gan Seong Liam was due to retire and being eligible, has offered himself for re-election.

The poll result in respect of Ordinary Resolution 6 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 6	194,625,922	99.9769	44,944	0.0231

As 194,625,922 shares representing 99.98% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 6 duly passed:-

"THAT Datuk Gan Seong Liam retiring pursuant to Article 95 of the Company's Constitution, and being eligible be hereby re-elected as Director of the Company."

10. RE-APPOINTMENT OF TAN SRI DATUK DR ABDUL SAMAD BIN HAJI ALIAS WHO IS OVER THE AGE OF 70 YEARS (ORDINARY RESOLUTION 7)

As the next item on the agenda involves the re-appointment of the Chairman as a Director, the Chairman handed the Chair to Datuk Aldillan bin Anuar (Datuk Aldillan).

Tan Sri Datuk Dr Abdul Samad bin Haji Alias who is over the age of 70 years was due to retire and being eligible, has offered himself for re-election.

The poll result in respect of Ordinary Resolution 7 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 7	194,651,040	99.9775	43,744	0.0225

As 194,651,040 shares representing 99.98% of the total votes cast were in favour of the motion, Datuk Aldillan declared the following Ordinary Resolution 7 duly passed:-

"THAT Tan Sri Datuk Dr Abdul Samad bin Haji Alias who is over the age of 70 years, and being eligible be hereby re-elected as Director of the Company."

Datuk Aldillan then handed the Chair back to the Chairman.

11. RE-APPOINTMENT OF DATUK SERI ANUAR BIN ADAM WHO IS OVER THE AGE OF 70 YEARS (ORDINARY RESOLUTION 8)

Datuk Seri Anuar bin Adam who is over the age of 70 years was due to retire and being eligible, has offered himself for re-election.

Datuk Seri Anuar bin Adam abstained from voting in respect of Ordinary Resolution 8.

The poll result in respect of Ordinary Resolution 8 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 8	46,647,531	99.9017	45,894	0.0983

As 46,647,531 shares representing 99.90% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 8 duly passed:-

“THAT Datuk Seri Anuar bin Adam who is over the age of 70 years, and being eligible be hereby re-elected as Director of the Company.”

12. RE-APPOINTMENT OF AUDITORS MESSRS SJ GRANT THORNTON FOR THE ENSUING YEAR AND AUTHORITY FOR THE DIRECTORS TO FIX THEIR REMUNERATION (ORDINARY RESOLUTION 9)

The poll result in respect of Ordinary Resolution 9 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 9	194,470,738	99.8942	205,982	0.1058

As 194,470,738 shares representing 99.89% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 9 duly passed:-

“THAT Messrs SJ Grant Thornton be and is hereby re-appointed as Company’s Auditors and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.”

13. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016 (ORDINARY RESOLUTION 10)

Mr Dinesh enquired if the Company intends to undertake a Private Placement exercise, to which the Chairman replied in the affirmative. The price of the placement shares would be determined based on the 5-day volume weighted average market price and the listing rules of Bursa Malaysia Securities Berhad.

The poll result in respect of Ordinary Resolution 10 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 10	194,575,075	99.9492	98,824	0.0508

As 194,575,075 shares representing 99.95% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 10 duly passed:-

"THAT subject to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum of the number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act, 2016."

14. PROPOSED SHARE BUY BACK BY THE COMPANY ("SBB") (ORDINARY RESOLUTION 11)

The poll result in respect of Ordinary Resolution 11 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 11	194,438,413	99.8717	249,714	0.1283

As 194,438,413 shares representing 99.87% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 11 duly passed:-

“THAT subject to the rules, regulations and orders made pursuant to the Companies Act, 2016 (“the Act”), provisions of the Constitution of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Board be and is hereby authorized to purchase such amount of ordinary shares in the Company (“Tadmax Shares”) as may be determined by the Directors from time to time through Bursa Securities (“Proposed Share Buy-Back”) subject to the following:-

- a. the maximum number of Tadmax Shares which may be purchased and/or held as treasury shares by the Company at any point in time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued shares of the Company;
- b. the maximum funds to be allocated by the Company for the purpose of purchasing Tadmax Shares shall not exceed the retained profits of the Company;
- c. the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and
- d. upon completion of the purchase(s) of the Tadmax Shares by the Company, the Board be and is hereby authorized to retain the Tadmax Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board be and is hereby authorized to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Tadmax Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

15. PROPOSED GRANT OF SHARE OPTIONS TO DATUK GAN SEONG LIAM (ORDINARY RESOLUTION 12)

The Chairman informed that the price fixing will be determined after taking into consideration the 5-day volume weighted average market price of Tadmax Shares immediately before the price fixing date.

In reply to the query raised by Ms Ho Siew Yun, the Chairman informed that the Grant of Share Options to the other directors have been approved by the Shareholders at the Extraordinary General Meeting (EGM) held on 24 May 2016. He added that Datuk Gan was appointed as a Director of the Company subsequent to the EGM.

Datuk Gan Seong Liam and the person connected with him, namely Mr Jayden Gan, his son, abstained from voting in respect of their direct and indirect shareholdings in Tadmax.

The poll result in respect of Ordinary Resolution 12 was recorded as follows:-

	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 12	173,972,563	99.9721	48,574	0.0279

As 173,972,563 shares representing 99.97% of the total votes cast were in favour of the motion, the Chairman declared the following Ordinary Resolution 12 duly passed:-

“THAT approval be and is hereby given to the Board at any time, and from time to time throughout the duration of the Employee Share Option Scheme (ESOS), to offer and grant option or options to Datuk Gan Seong Liam, an Executive Director of the Company, to subscribe for or purchase up to 2,000,000 ordinary shares in the Company under the Tadmax’s ESOS, provided always that, the Director do not participate in the deliberation or discussion of his own allocation and that the allocation to a director or employee (an Eligible Person), who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the issued shares of Tadmax must not exceed 10% of the new Shares available under the ESOS, in accordance with the Main Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the Bye-Laws.”

16. CLOSURE

There being no other business for which due notice has been given, the Chairman declared the Meeting closed at 11.55 a.m.

End