



**SARAWAK CABLE
BERHAD**

(Company No. 456400-V)

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MINUTES OF THE TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING (“AGM”) OF SARAWAK CABLE BERHAD (“SCB OR “THE COMPANY”) HELD AT M HOTELS, HOCK LEE CENTRE, LEVEL 4, HOTEL TOWERS A, JALAN DATUK ABANG ABDUL RAHIM, 93450 KUCHING, SARAWAK ON WEDNESDAY, 12 JUNE 2019 AT 10.00 A.M.

Present: As per Attendance Lists as attached

1. INTRODUCTION

The Chairman, YBhg. Dato Sri Mahmud Abu Bekir Taib welcomed all those present to the Annual General Meeting of the Company and thanked all the valued shareholders for their continued invaluable support.

2. QUORUM

The Company Secretary, Ms. Teoh Wen Jinq reported that a quorum as prescribed by Article 64 of the Company’s Articles of Association is present. YBhg. Dato Sri Chairman, declared the meeting duly convened at 10.15 a.m.

3. NOTICE OF MEETING

The notice convening the AGM, having been circulated to all members and advertised in ‘The New Straits Times’ on 30 April 2019 within the prescribed period in accordance with the Company’s Articles of Association, with the consent of all members present at the AGM, was taken as read.

YBhg. Dato Sri Chairman informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the AGM notice shall be voted by poll.

Boardroom Share Registrars Sdn Bhd had been appointed as the Poll Administrator to conduct the polling procedure whilst Malaysian Issuing House Sdn Bhd had been appointed as the Independent Scrutineer to verify the poll results.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon were tabled for discussion during the AGM. YBhg. Dato Sri Chairman invited the members to raise question in relation to the Agenda 1 of the Notice for the 21st AGM.

To questions raised by shareholders regarding the performance of the company, the Managing Director commented on the following:

- Since his appointment as the Managing Director in March 2018, he had implemented several restructuring plans for some subsidiary companies.
- Construction of transmission towers and power grids projects have low profit margin. The transmission lines projects have 10 projects on hand, now left two major projects uncompleted.
- The Group intends to return back to basics and to become a cable centric company once again.
- As the crash in oil and gas industry, our aviation services segment was also affected. The management had elected to scale down the operations of the aviation business which entails the proposed disposal of three helicopters. The management targets to achieve the sale of these helicopters by end of this year.
- Due to the change in government in May 2018, some government projects were shelved and in our case, some Tenaga Nasional Berhad's projects were shelved for about 6 – 9 months, which resulted in slower cables orders from the clients.
- The management had been trying to minimise the losses incurred by the non-performing subsidiaries. However, in certain circumstances, we need funding to put the business back on its footing like the mini-hydro power plant. This power plant project require funding to complete.

The Audit Committee Chairman, Datuk Kevin How added that the management was trying to minimise the losses by the Group. The new management is monitoring closely on the non-performing subsidiaries like the hydro power plant and the aviation services. The management also managed to obtain the status of Bumiputera controlled public listed company by Ministry of International Trade and Industry in January 2019.

A shareholder enquired whether the management set any timeframe for the proposed scaling down of the aviation business.

The Managing Director responded that the company had sold one unit of helicopter recently. We have an existing long-term lease of five helicopters with the Ministry of Defence. We have another helicopter for the cable sector but it was grounded internationally for about 18 months now. The idling and inability to lease this H225 helicopter contributed a substantial losses to the aviation business. The management is actively looking for potential lease for this helicopter.

Pertaining to the shareholder's enquiry on the profitability of the power and telecommunication cables segment, the Managing Director informed that this segment's net profit margin is not high, which is about 5.5%.

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The Independent Director, Datuk Rozimi added that previously, he was the former Head of Transmission of Tenaga Nasional Berhad. He concurred that the cable industry is very competitive and having low profit margin.

As there were no further questions from the members present, the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and the Auditors thereon were taken as noted and received.

5. DIRECTORS' FEES (Resolution 1)

The members present were informed that the Directors' fees of RM1,168,000 for the financial year ended 31 December 2018 were proposed for members' approval.

It was put to motion to vote by poll at the end of the discussion of all resolutions. This resolution if passed, the total Directors' fees of RM1,168,000 in respect of the financial year ended 31 December 2018 will be approved for payment.

6. DIRECTORS' MEETING ALLOWANCES (Resolution 2)

The members present were informed that the Directors' meeting allowance of RM120,000 for the financial year ending 31 December 2019 until the next annual general meeting was proposed for members' approval.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, the total Directors' meeting allowance of RM120,000 in respect of the financial year ending 31 December 2019 until the next annual general meeting will be approved for payment.

7. RE-ELECTION OF DIRECTOR (Resolution 3)

The members noted that YBhg. Tan Sri Dato' Seri H'ng Bok San is retiring by rotation in accordance with Article 86 of the Company's Articles of Association, and he has offered himself for re-election.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, YBhg. Tan Sri Dato' Seri H'ng Bok San will be re-elected as Director of the Company.

8. RE-ELECTION OF DIRECTOR (Resolution 4)

The members also noted that YBhg. Datuk Kevin How Kow is retiring by rotation in accordance with Article 86 of the Company's Articles of Association, and he has offered himself for re-election.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, YBhg. Datuk Kevin How Kow will be re-elected as Director of the Company.

9. RE-ELECTION OF DIRECTOR (Resolution 5)

The members also noted that YBhg. Dato' Ahmad Redza bin Abdullah is retiring in accordance with Article 86 of the Company's Articles of Association, and he has offered himself for re-election.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, YBhg. Dato' Ahmad Redza bin Abdullah will be re-elected as Director of the Company.

10. RE-APPOINTMENT OF AUDITORS (Resolution 6)

YBhg. Dato Sri Chairman informed that Messrs. Ernst & Young, the retiring auditors have expressed their willingness to continue in office for the ensuing year.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, the retiring auditors, Messrs. Ernst & Young will be re-appointed as auditors of the Company for the ensuing year at a remuneration to be determined by the Board of Directors.

11. CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR PURSUANT TO PRACTICE 4.2 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017 (Resolution 7)

YBhg. Dato Sri Chairman briefed the members present on the proposed resolution to retain YBhg. Datuk Kevin How Kow who have served as an Independent Director of the Company for a consecutive term of more than 9 years. The Board has assessed the independence of YBhg. Datuk Kevin and recommended his continuation in office as the Independent Director.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, YBhg. Datuk Kevin shall continue in office as the Independent Director of the Company.

12. CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR PURSUANT TO PRACTICE 4.2 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017 (Resolution 8)

YBhg. Dato Sri Chairman briefed the members present on the proposed resolution to retain En. Erman Bin Radin who have served as an Independent Director of the Company for a consecutive term of more than 9 years. The Board has assessed the independence of En. Erman and recommended his continuation in office as the Independent Director.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, En. Erman shall continue in office as the Independent Director of the Company.

13. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016 (Resolution 9)

YBhg. Dato Sri Chairman briefed the members present on the above proposed resolution.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed, pursuant to Section 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors will be empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next AGM of the Company.

14. PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“Shareholder Mandate”) (Resolution 10)

YBhg. Dato Sri Chairman briefed the members present on the above proposal and reminded all interested directors, interested major shareholders and persons connected with them including their proxies and corporate representatives that they must not vote in respect of their direct and/or indirect shareholdings on the resolution approving Shareholder Mandate.

It was put to motion to vote via poll at the end of the discussion of all resolutions. This resolution if passed and subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval will be given to the Company and/or its subsidiaries (“SCB Group”) to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and are necessary for the day-to-day operations of SCB Group as outlined in Section 3.2 on pages 3 to 7 of the Circular to Shareholders dated 30 April 2019 (“Circular”), with the specific related parties mentioned therein subject further to the followings:

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and
- (ii) disclosure is made in the annual report a breakdown of the aggregated value of the transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:
 - the type of the recurrent related party transactions made; and
 - the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

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AND THAT such approval will continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act];
or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandate.

15. PROPOSED ADOPTION OF A NEW CONSTITUTION (RESOLUTION 11)

YBhg. Dato Sri Chairman briefed the members present on the proposed special resolution to approve the adoption of a new Constitution of the Company, in order to streamline with the requirements in the Companies Act 2016 and to align with the amendments made in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It was put to vote via poll at the end of the discussion of all resolutions.

POLL PROCEDURES

YBhg Dato Sri Chairman called upon Boardroom Share Registrars Sdn. Bhd. to brief on the polling procedures. YBhg Dato Sri Chairman duly seconded by Ms. Teoh Wen Jinq to have the AGM adjourned at 10.55 a.m. for the counting of votes and that the AGM shall resume upon the completion of the counting of votes.

ANNOUNCEMENT OF POLL RESULTS

YBhg Dato Sri Chairman welcomed all present and resumed the AGM proceedings at 11.50 a.m. and hereby declared that all resolutions were approved based on the results of the poll which were validated by Malaysian Issuing House Sdn. Bhd., the independent scrutineer appointed by the Company.

ANY OTHER BUSINESS

There being no other business to be transacted, YBhg Dato Sri Chairman, on behalf of all other Board members thanked all those present for their kind attendance and the AGM closed at 11.56 a.m. with a vote of thanks accorded to the Chair.