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MMC CORPORATION BERHAD (Company No. 30245-H)		
Minutes of the 44 th Annual General Meeting ("AGM") of MMC Corporation Berhad ("MMC" or "the Company") held via remote participation and electronic voting ("Virtual AGM") at the Broadcast Venue, Training Room, Ground Floor, MMC Corporation Berhad, Wisma Budiman, Persiaran Raja Chulan, 50200 Kuala Lumpur on Monday, 22 June 2020 at 10.00 a.m.		
DIRECTORS PRESENT	Tan Sri Dato' Seri Shamsul Azhar Abbas Dato' Sri Che Khalib Mohamad Noh Datuk Ooi Teik Huat Dato' Abdul Hamid Sh Mohamed Dato' Siti Halimah Ismail Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar Dato' Ir. Jamaludin Osman Mr. Tee Beng Thong Cik Sharifah Sofia Syed Mokhtar Shah] Chairman & Proxy] Group Managing Director ("GMD")] Directors]]]]]]]]]
IN ATTENDANCE	Encik Ahmad Aznan Mohd Nawawi] Company Secretary]
BY INVITATION	Encik Mohd Shahar Yope Dr. Mabel Lee Khuan Eoi Encik Ahmad Zaki Abdullah Puan Nurula'in Abdul Latif] Representing] the Management]] Messrs.] PricewaterhouseCoopers] PLT
SHAREHOLDERS PRESENT	126 shareholders representing 1,056,340 shares (0.04%) and 12 proxies representing 648,410,401 shares (21.29%)	
QUORUM		
Upon confirmation by the Company Secretary that a quorum was present, the Chairman called the Meeting to order.		
The Chairman extended a warm welcome to the shareholders who were virtually present at the Company's first Virtual AGM, which was held in compliance with Section 327 of the Companies Act 2016 ("CA 2016" or "the Act") and Article 16.3 of the Company's Constitution.		
The Chairman explained that the Virtual AGM was necessary for the safety and health of the valued shareholders and employees during the current COVID-19 pandemic crisis as well as to comply with the Government's advice to observe social distancing and adhere to the strict prohibition of holding any mass gathering.		
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<p>In accordance with the Guidance Note on the Conduct of General Meetings issued by the Securities Commission of Malaysia on 11 June 2020, the Chairman apprised that majority of the Directors of the Company were remotely participating in the Virtual AGM from their respective locations.</p> <p>Before proceeding with the agenda of the AGM, the Chairman introduced the Directors of the Company who were present at the Broadcast Venue as well as virtually to the shareholders.</p> <p>The Chairman then proceeded with the agenda of the Meeting.</p> <p>NOTICE CONVENING THE MEETING</p> <p>The notice convening the Meeting dated 19 May 2020 was taken as read.</p> <p>The Chairman then invited YBhg. Dato' Sri Che Khalib Mohamad Noh, the GMD, to brief the shareholders on the Company's performance for the financial year ended 31 December 2019 ("FY2019") and the outlook for the financial year ending 31 December 2020. (A copy of the presentation deck is attached herewith as Appendix I to the Minutes).</p> <p>The Chairman informed the shareholders that the Company had received a letter dated 17 June 2020 from the Minority Shareholders Watch Group ("MSWG"), enquiring on MMC Group's strategy, financial and corporate governance matters.</p> <p>For the benefit of shareholders, the Chairman invited Encik Ahmad Aznan Mohd Nawawi, the Company Secretary, to read out the questions raised by MSWG and MMC's response therein ("Q&A"). (A copy of the Q&A presentation deck is attached herewith as Appendix II to the Minutes).</p> <p>Before proceeding with the business of the day, the Chairman addressed the enquiries pertaining to the provision and distribution of vouchers which was raised by several shareholders. He emphasised that, as stated in the Administrative Details which was circulated to the shareholders on 19 May 2020, the Company would not be distributing vouchers to the shareholders who had participated in the Virtual AGM.</p> <p>The Chairman briefed the shareholders that, in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), all motions and/or resolutions would be voted by way of e-polling after the conclusion of the deliberation of the final resolution for the meeting.</p> <p>He further briefed the shareholders that Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd were appointed as the Polling Administrator and Scrutineer, respectively.</p> <p>Upon being invited by the Chairman, Cik Amira Natasha Ahmad Zulkifli, a representative from Boardroom Share Registrars Sdn Bhd, briefed the shareholders on the remote polling process.</p>		
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DATE	TIME	PLACE
<p style="text-align: right;">Page 3 of 9</p> <p>The Chairman encouraged the shareholders to participate in the Virtual AGM by submitting their questions in real-time, via the messaging icon displayed in the Lumi AGM application, until the announcement on the closure of the Q&A session. However, all multiple and repetitive questions would be collectively dealt as one.</p> <p>Ms. Lim Cian Yai ("Ms. Lim"), a corporate representative of MSWG, requested further clarification pertaining to the retention of YBhg. Datuk Ooi Teik Huat ("Datuk Ooi"), who had served as an Independent Non-Executive Director ("INED") of the Company for a tenure of twelve years and one (1) month since his appointment on 22 May 2008.</p> <p>In relation thereto, Ms. Lim opined that the annual two-tier voting process, to seek the shareholders' approval for the retention of Datuk Ooi as the Company's INED, should ideally be conducted during the 44th AGM.</p> <p>The Chairman responded that the Company would seek the annual shareholders' approval for Datuk Ooi through a two-tier voting process at MMC's forty-fifth AGM in 2021. This is in tandem with Practice 4.2 of the Malaysian Code on Corporate Governance 2017.</p> <p>Mr. Lee Mun Hoe, a shareholder, suggested the introduction of a new payment scheme, which may include, but not limited to, a grant of shares and Employee Share Option Scheme, as part of the remuneration for the Board of Directors ("the Board") of the Company.</p> <p>The Chairman replied to the shareholders that the practicability and necessity of the proposed payment scheme would be considered and deliberated by the Board.</p> <p>Madam Leong Kuan Moi, a shareholder, requested the status update on the Klang Valley Mass Rapid Transit ("KVMRT") Line 3 ("KVMRT Line 3") project.</p> <p>The Chairman apprised the shareholders that MMC had, based on the successful earlier completion of KVMRT Sungai Buloh- Kajang Line 1 project and good progress of the on-going KVMRT Sungai Buloh-Serdang- Putrajaya Line 2 project, submitted the proposal for the KVMRT Line 3 project to the Government for its consideration.</p> <p>Mr. Liew Chee Seng ("Mr. Liew"), a shareholder, raised his concerns pertaining to MMC's downtrend share price despite the Company achieving good financial results. Further thereto, Mr. Liew enquired whether MMC has embarked on any preventive measures to address the Company's declining share performance.</p> <p>The Chairman explained that Urusharta Jamaah Sdn Bhd's ("UJSB") high volume disposals had put a significant downward pressure to the Company's share price, which had hit the lowest point of RM0.47 per share in the middle of March 2020.</p> <p>UJSB had, as of 31 May 2020, reduced its shareholding in MMC to 1.9% from 7.6% in early March 2020.</p>		
		CHAIRMAN'S INITIALS 

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<p style="text-align: right;">Page 4 of 9</p> <p>However, MMC's share price has gradually recovered following the Company's declaration of a final dividend of 4.5 sen per share for FY2019, as announced on 10 April 2020, which has demonstrated positive resilience of the Company's business.</p> <p>Mr. Cheah Yew Boon, a shareholder, requested the Board to consider providing e-vouchers or e-credits to the shareholders as a token of appreciation for their participation in the Virtual AGM.</p> <p>The Chairman expressed his utmost appreciation to the shareholders for their time and effort in participating in the Company's Virtual AGM. He reiterated that, as stipulated and communicated in the Administrative Details which was circulated to the shareholders on 19 May 2020, the Company would not be distributing any voucher to the shareholders.</p> <p>In view of the current COVID-19 pandemic crisis which may adversely affect the Company's well-being and financial stability, Mr. Stephen Lye Tuck Meng, a shareholder, enquired whether the Company is resorting to employees layoffs and/or salary reductions amid the challenging economic environment.</p> <p>The Chairman apprised the shareholders that, overall, the ports recorded a minimal year-on-year volume reduction for both container and conventional segments. In respect of the Group's Energy and Utility business, Malakoff Corporation Berhad and Alam Flora Sdn Bhd, which are categorised as essential services, remained in operations throughout the Movement Control Order ("MCO") period.</p> <p>He further apprised that Gas Malaysia Berhad recorded a lower volume of gas sold during the MCO period as customers in non-essential industries were not allowed to operate. However, this was cushioned by the higher demand for gas supply by the food and beverage as well as rubber manufacturing industries.</p> <p>The Chairman assured the shareholders that there had been no impact on the existing order book of the Group's Engineering Division of RM6.61 billion.</p> <p>Nevertheless, MMC Group continues to meticulously review its capital and operating expenditures which include staff-related costs.</p> <p>Encik Shahrman bin Ruslan ("Encik Shahrman"), a shareholder, enquired whether the Company is considering acquiring a new asset, with a view to expand the Company's revenue stream, within the next two (2) years.</p> <p>The Chairman responded that MMC is constantly exploring potential overseas ventures, particularly, in industries which the Company has solid experience and expertise. The Board and Management believe that establishing a presence in foreign countries would open up greater income diversification opportunities to the Group as a whole.</p>		
<p style="text-align: right;">CHAIRMAN'S INITIALS</p> <p style="text-align: right;"><i>[Signature]</i></p>		

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He added that the Board and Management are of the view that replicating the Company's proven business model overseas could be an effective strategic move towards realising greater growth for the Company.

Encik Shahrman requested the status update on the Memorandum of Understanding, in relation to the potential equity participation of up to 25% stake in Fauji Akbar Portia Marine Terminals Ltd, which was entered between Johor Port Berhad, a wholly-owned subsidiary of MMC, and FGV Holdings Berhad, on 3 January 2020.

The Chairman informed the shareholders that, to date, there had been no significant progress on the said initiative.

**AGENDA 1
AUDITED FINANCIAL STATEMENTS AND DIRECTORS' AND AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Chairman tabled the Audited Financial Statements ("Accounts") and the Directors' and Auditors' Reports to the Meeting. He remarked that, as stipulated under Section 340(1)(a) of CA 2016, the Company's Financial Statements do not require shareholders' approval. The Act merely requires the Accounts to be laid before the shareholders.

As all accounts related questions raised by the shareholders were dealt with during the Q&A session, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 December 2019 and the Directors' and Auditors' Report thereon, be received by the shareholders.

**AGENDA 2
PAYMENT OF DIRECTORS' FEES UP TO AN AMOUNT OF RM1,370,000.00 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD FROM 23 JUNE 2020 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman highlighted that there was no increase in the Directors' fees as detailed out in the Explanatory Note in the Notice of 44th AGM.


**AGENDA 3
BENEFITS PAYABLE TO THE DIRECTORS OF THE COMPANY UP TO AN AMOUNT OF RM2,120,000.00 FOR THE PERIOD FROM 23 JUNE 2020 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman explained that the amount was derived after taking into consideration various factors, among others, the number of Directors and number of meetings estimated to be convened during the said period.

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CHAIRMAN'S INITIALS

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<p style="text-align: right;">Page 6 of 9</p> <p>AGENDA 4, 5 AND 6 RE-ELECTION OF DATUK OOI TEIK HUAT, DATO' ABDUL HAMID BIN SH MOHAMED AND DATO' IR. JAMALUDIN BIN OSMAN AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH ARTICLE 18.3 OF THE COMPANY'S CONSTITUTION</p> <p>The Chairman informed the shareholders that, for good corporate governance and in accordance with CA 2016, all three (3) resolutions were dealt with separately.</p> <p>The Chairman further informed the shareholders that Datuk Ooi, YBhg. Dato' Abdul Hamid bin Sh Mohamed ("Dato' Abdul Hamid") and YBhg. Dato' Ir. Jamaludin bin Osman had indicated their willingness to be re-elected as a Director of the Company.</p> <p>AGENDA 7 RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION</p> <p>The shareholders were informed that Messrs. PricewaterhouseCoopers PLT had indicated its willingness to continue to serve as the Company's auditors for the financial year ending 31 December 2020.</p> <p>AGENDA 8 RETENTION OF DATUK OOI TEIK HUAT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING</p> <p>The Chairman highlighted that the justifications to retain Datuk Ooi had been provided and thoroughly explained in the Explanatory Notes in the Notice of 44th AGM.</p> <p>AGENDA 9 RETENTION OF DATO' ABDUL HAMID BIN SH MOHAMED AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING</p> <p>The Chairman highlighted that the justifications to retain Dato' Abdul Hamid had been provided and thoroughly explained in the Explanatory Notes in the Notice of 44th AGM.</p> <p>AGENDA 10 PROPOSED TRANSFER OF 509,494,049 ORDINARY SHARES REPRESENTING APPROXIMATELY 70.0% ORDINARY EQUITY INTEREST IN PELABUHAN TANJUNG PELEPAS SDN BHD ("PTP") BY MMC CORPORATION BERHAD ("MMC" OR "THE COMPANY") TO MMC PORT HOLDINGS SDN BHD ("MMC PORT"), A WHOLLY-OWNED SUBSIDIARY OF MMC VIA A SHARE SWAP ("PROPOSED TRANSFER OF PTP")</p> <p>The Chairman apprised the shareholders that the Proposed Transfer of PTP is in line with the Company's long-term strategy whereby, moving forward, the Group's port operations would be consolidated and streamlined under a common holding company, namely, MMC Port Holdings Sdn Bhd.</p>		
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For the benefit of shareholders, the Chairman invited Encik Ahmad Zaki Abdullah, Head, Group Corporate Planning, to brief the details of the Proposed Transfer of PTP. (A copy of the presentation deck is attached herewith as **Appendix III** to the Minutes).

The Chairman then proceeded with the voting of all resolutions tabled at the meeting.

The Chairman informed the shareholders that the casting and verification process may take approximately twenty minutes to complete.

The Chairman further informed that he was appointed as a proxy by several shareholders and would, therefore, vote according to the respective shareholders' instructions. The Meeting was adjourned at this juncture for the polling session.

At 11:50 a.m., the Chairman called the Meeting to order, and the Chairman announced the results of the e-polling as follows:

1) Payment of Directors' Fees up to an Amount of RM1,370,000.00 to the Non-Executive Directors of the Company for the period from 23 June 2020 until the Conclusion of the Next Annual General Meeting

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 1	2,368,159,634	99.9930	165,729	0.0070

The Chairman declared the Ordinary Resolution 1 carried.

2) Benefits Payable to the Directors of the Company up to an Amount of RM2,120,000.00 for the period from 23 June 2020 until the Conclusion of the Next Annual General Meeting


RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 2	2,367,553,224	99.9927	172,139	0.0073

The Chairman declared the Ordinary Resolution 2 carried.

3) Re-election of Datuk' Ooi Teik Huat as Director of the Company in accordance with Article 18.3 of the Company's Constitution

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 3	1,652,200,531	69.7624	716,124,832	30.2376

The Chairman declared the Ordinary Resolution 3 carried.

CHAIRMAN'S INITIALS


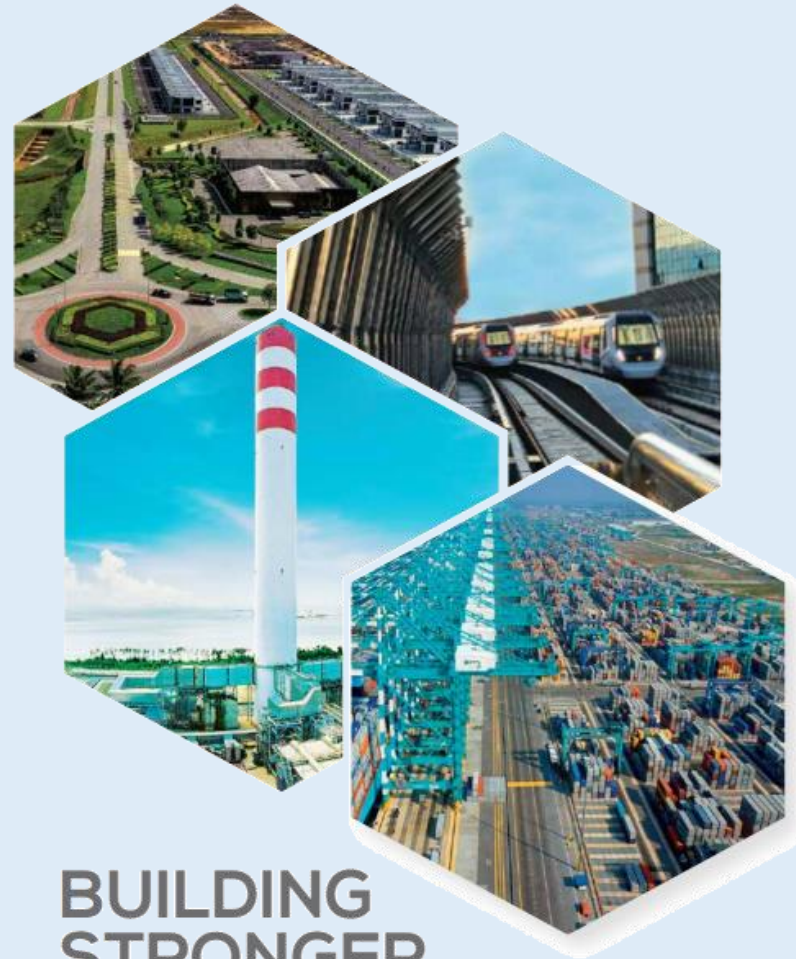
DATE	TIME	PLACE																
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4)	<u>Re-election of Dato' Abdul Hamid bin Sh Mohamed as Director of the Company in accordance with Article 18.3 of the Company's Constitution</u>																	
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RESOLUTION	FOR		AGAINST															
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)														
Ordinary Resolution 4	1,673,206,645	70.6494	695,117,711	29.3506														
	The Chairman declared the Ordinary Resolution 4 carried.																	
5)	<u>Re-election of Dato' Ir. Jamaludin bin Osman as Director of the Company in accordance with Article 18.3 of the Company's Constitution</u>																	
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	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)														
Ordinary Resolution 5	2,346,764,931	99.0897	21,559,432	0.9103														
	The Chairman declared the Ordinary Resolution 5 carried.																	
6)	<u>Re-appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to Authorise the Directors to fix their Remuneration</u>																	
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Ordinary Resolution 6	2,368,233,453	99.9962	90,910	0.0038														
	The Chairman declared the Ordinary Resolution 6 carried.																	
7)	<u>Retention of Datuk Ooi Teik Huat as an Independent Non-Executive Director of the Company and to Hold Office until the Conclusion of the Next Annual General Meeting of the Company</u>																	
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RESOLUTION	FOR		AGAINST															
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)														
Ordinary Resolution 7	1,648,153,831	69.5916	720,168,532	30.4084														
	The Chairman declared the Ordinary Resolution 7 carried.																	

DATE	TIME	PLACE		
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8) <u>Retention of Dato' Abdul Hamid bin Sh Mohamed as an Independent Non-Executive Director of the Company and to Hold Office until the Conclusion of the Next Annual General Meeting of the Company</u>				
RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 8	1,673,207,452	70.6494	695,117,911	29.3506
The Chairman declared the Ordinary Resolution 8 carried.				
9) <u>Proposed Transfer of 509,494,049 Ordinary Shares representing approximately 70.0% Ordinary Equity Interest in Pelabuhan Tanjung Pelepas Sdn Bhd by MMC Corporation Berhad to MMC Port Holdings Sdn Bhd via a Share Swap</u>				
RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 9	2,368,190,032	99.9943	135,331	0.0057
The Chairman declared the Ordinary Resolution 9 carried.				
CLOSE OF MEETING				
The Chairman expressed his appreciation to shareholders present for their attendance.				
There being no other business, the Meeting was declared closed at 11:55 a.m. with a vote of thanks to the Chairman.				
Confirmed by,				
- signed -				
.....				
Chairman				
22 June 2020				
Kuala Lumpur				
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**MSWG:
Questions & Answers
44th Annual General Meeting**

22 June 2020



**BUILDING
STRONGER
GROWTH**

STRATEGIC & FINANCIAL MATTERS

1 (a). How has the Covid-19 pandemic impacted the Group's: Ports and Logistics division in terms of operations, container volume growth and the number of vessels calling at the 5 ports?

Answer:

MMC Ports recorded a minimal year-on-year volume reduction for container volume and slightly more for conventional volume.

- Port of Tanjung Pelepas (PTP): To date, PTP's volume growth remained positive year-on-year.**
- Johor Port: Volume was impacted due to the MCO restrictions on surrounding factories & industries in Pasir Gudang. However, volume is recovering due to resumption of more business activities in line with gradual reopening of the economy.**
- Northport: Volume was impacted due to MCO restrictions on local industries as well as slow down of transshipment activities.**
- Penang Port: Volume was impacted due to MCO restrictions on local industries as well as closure of Southern Thai border. Volume is recovering after full re-opening of the border in May 2020. Whilst cruise operation is still not permitted during RMCO, we are expecting Langkawi ferry operation to resume by July 2020.**
- Tanjung Bruas: Volume was impacted due to MCO restrictions on local industries in Melaka. However, volume is recovering due to resumption of more business activities in line with gradual reopening of the economy.**

STRATEGIC & FINANCIAL MATTERS

1 (b). How has the Covid-19 pandemic impacted the Group's: Engineering division in terms of order book and on-going project progress?

Answer:

During the MCO period:

- **Tunnelling works on the KVMRT SSP Line were granted approval to continue.**
- **Other essential works that were categorized as critical by MITI were allowed to resume.**
- **Mitigation measures are in place to address any delay in construction work progress.**

There is no impact to our existing orderbook which currently stands at RM6.61 billion as of Dec 2019 and we are aggressively putting efforts to secure new projects as part of our orderbook replenishment strategy going forward.

STRATEGIC & FINANCIAL MATTERS

1 (c). How has the Covid-19 pandemic impacted the Group's: Airport division in terms of operations, additional costs incurred and estimated cost to be incurred due to the Covid-19 pandemic, for sanitisation and disinfection purposes?

Answer:

At Senai Airport, 90% of the flights are contributed by Air Asia, and they stopped operations during recent MCO. Most of the airlines have resumed operations during the recent festive season in May. Subsequently in June, the airport is expecting more passengers as domestic travel is now permitted.

On the cargo side, only FedEx is operating. Nevertheless, with recent hike in aircraft movement, more belly cargo are expected to be filled and hence higher cargo volume.

To date, the amount spent in relation to Covid-19 to provide protective equipment and screening for staff is minimal. In addition, the full-scale disinfection was done at no cost with co-operation from Johor State Fire & Rescue Department.

STRATEGIC & FINANCIAL MATTERS

1 (d). How has the Covid-19 pandemic impacted the Group's: Industrial development division?

Answer

The Industrial Development division is not severely affected by the pandemic.

- The division secured total sale of 19.26 acres with signed SPAs which will be recognized this year upon the fulfilment of the Conditions Precedents.
- There are a few ongoing negotiations pending acceptance of letters of offers (LOO).
- More recently, a purchaser has accepted an LOO for a parcel of land in June 2020 with targeted execution of SPA by Dec 2020.

STRATEGIC & FINANCIAL MATTERS

- 2. How will the Covid 19 pandemic affect the Group's capital expenditure spending for financial year 2020 across the Group's various business segments?**

Answer

The estimated capex for the group is circa RM1.5 billion primarily across all the ports. In light of the current economic condition arising from the Covid-19 outbreak, the Group is continuously reviewing the capex spending and is planning to defer some of it. To date only around half of the estimated capex planned has been committed.

STRATEGIC & FINANCIAL MATTERS

3. How does the Group plan to address the downward pressure on operating performance especially the bottom-line performance?

Answer:

The Group is consistently reviewing the capital and operating expenditures. Our initiatives to preserve the Group's cash flow and cushion the downward pressure on revenue are continuously discussed and reported at the meeting of MMC Board of Directors.

STRATEGIC & FINANCIAL MATTERS

4. **Aliran Ihsan Resources Berhad secured 6 new project-concessions worth RM45 million (page 22 of AR2019). What is the tenure of these 6 new project-concessions?**

Answer:

Six (6) new projects secured by AIRB in FY2019 were made up of four (4) concession-based projects and two (2) construction/ installation projects.

For the four (4) concession-based projects, three (3) projects are long-term projects with tenure of between 10 years to 13 years. And one (1) project is a short-term project with a tenure of 1 year.

As for construction/ installation projects, two (2) projects were awarded in April 2019 and both projects were completed in Q4 FY2019.

STRATEGIC & FINANCIAL MATTERS

5. Has the Covid-19 pandemic caused any delay to the continued redevelopment of the Swettenham Pier Cruise Terminal and the upgrading works at the North Butterworth Container Terminal T1 (page 89 of AR2019)? When is it expected to be completed?

Answer:

We have awarded the construction for expansion of Swettenham Pier Cruise Terminal in Feb 2020. While the work was supposed to commence in April 2020, it has been delayed due to MCO. Currently, we are planning to defer the completion of this project due to the low usage of the cruise terminal, as a result of the Covid-19 pandemic.

The upgrading of North Butterworth Container Terminal 1 at Penang Port has started since October 2018. We are expecting for the project to be completed by Sept 2020. The progress of the project is ahead of schedule.

STRATEGIC & FINANCIAL MATTERS

6. Allowance for slow moving stocks increased to RM41.6 million (2018: RM25.1 million) (Note 22, page 265 of AR2019).
- (a) What is the reason for the significant increase in the allowance for slow moving stocks?

Answer

During the year, the Group had made additional provision for slow moving stocks of RM16.5 million (2018: RM12.1 million). The increase in the allowance for slow moving stocks is mainly due to slow moving spare parts and stock obsolescence after equipment refurbishment.

6. Allowance for slow moving stocks increased to RM41.6 million (2018: RM25.1 million) (Note 22, page 265 of AR2019).
- (b) What are these slow-moving stocks?

Answer

These slow-moving inventories are mainly spare parts and consumables for prime movers, trailers, quay cranes and rubber-tyred gantry cranes mostly in Port of Tanjung Pelepas.

STRATEGIC & FINANCIAL MATTERS

7. The Group has a concentration of credit risk in the form of trade receivables due from a contractor of the Klang Valley Mass Rapid Transit project and a major international shipping line customer, representing approximately 72% (2018: 50%) of the total trade receivables of the Group (Note 24, page 266 of AR2019).

What is the percentage breakdown of the trade receivables due from the contractor of Klang Valley Mass Rapid Transit project and the major international shipping line customer? Have any of these trade receivables due from these 2 parties been impaired? If yes, by how much?

Answer

The percentage breakdowns of the trade receivables for the Klang Valley Mass Rapid Transit project and the major international shipping line customer are 55% and 17% respectively. No impairment had been provided for the trade receivables due from the client of Klang Valley Mass Rapid Transit project.

For the major international shipping line customer, the provision for impairment during the financial year amounted to RM149,000 and total provision for impairment as at 31 December 2019 amounted to RM413,000.

- 8. Resolution 7 - Retention of Datuk Ooi Teik Huat, Independent Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017 (“MCCG”). Under explanatory notes, Shareholders’ approval for Resolutions 7 will be sought on a single-tier voting basis (page 319 of AR2019).**

MSWG Comment:

Datuk Ooi Teik Huat has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years (Appointment date: 22 May 2008). Pursuant to Practice 4.2 of MCCG - If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders’ approval through a two-tier voting process. As such, MMC has not fully applied Practice 4.2 of the MCCG.

Kindly explain why the Board has not adopted Practice 4.2 of the MCCG.

Answer

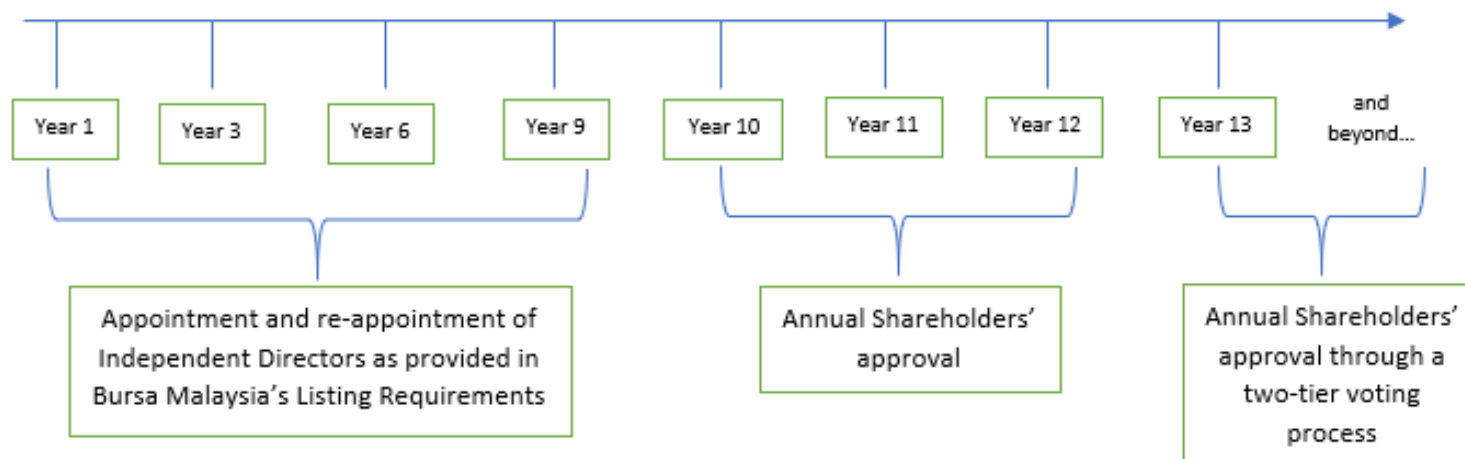
Refer next slide.

8. (continued). Kindly explain why the Board has not adopted Practice 4.2 of the MCCG.

Answer

The Company would seek the annual shareholders' approval through a two-tier voting process for YBhg. Datuk Ooi Teik Huat at the Company's Annual General Meeting in 2021. This is in line with the illustration provided for the Appointment and Re-appointment of Independent Director under Practice 4.2 of the Malaysian Code on Corporate Governance, whereby the annual two-tier voting process would only commence on the 13th year onwards as depicted below:

APPOINTMENT OF AN INDEPENDENT DIRECTOR





Thank You

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