

**MALAYSIA BUILDING SOCIETY BERHAD (9417-K)**  
**(Incorporated in Malaysia)**

MINUTES of the 48th Annual General Meeting of Malaysia Building Society Berhad (9417-K) held at Grand Nexus, Level 3A, Connexion@Nexus, No 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Monday, 25 June 2018 at 10.00 a.m.

<b>Present:</b>	YBhg Tan Sri Abdul Halim Ali	<b>Chairman</b>
	YBhg Datuk Shahril Ridza Ridzuan	Non-Independent Non-Executive Director
	Ir. Moslim bin Othman	Independent Non-Executive Director
	Puan Lynette Yeow Su-Yin	Independent Non-Executive Director

<b>Abent With Apology:</b>	Encik Lim Tian Huat	Independent Non-Executive Director
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<b>In Attendance:</b>	YBhg Datuk Seri Ahmad Zaini Othman	President and Chief Executive Officer
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<b>Secretary:</b>	Cik Tina Koh Ai Hoon	Company Secretary
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**Others** (Guests, shareholders and proxies as per list attached)

## OPENING

Y. Bhg. Tan Sri Abdul Halim bin Ali (“Tan Sri Chairman”) chaired the meeting. Tan Sri Chairman welcomed all present to the 48th Annual General Meeting of the Company and called the Meeting to order at 10.00 a.m.

Tan Sri Chairman also informed that the directors of the subsidiary company, MBSB Bank Berhad were also present in the meeting.

## QUORUM

Upon the request by Tan Sri Chairman, the Secretary confirmed that the quorum was met.

## PROXIES

The Secretary informed that the following Forms of Proxy have been received:-

- Form of Proxy appointing Shah Rani binti Zakaria and Encik Muhammad Izham bin Rusli, or failing either, Thilshath bt Mohiadeen Abd Kader to vote for and on behalf of Lembaga Kumpulan Wang Simpanan Pekerja (“KWSP”) who holds 3,884,078,968 shares representing 63.156% of the total shareholdings in the Company.
- A total of 1,473 proxy forms were received from the shareholders.

## NOTICE

The Notice convening the Meeting having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

## POLL VOTE

1. Tan Sri Chairman briefed the shareholders, corporate representatives and proxies of their right to speak and vote on resolutions as set out in the notice of AGM dated 30 April 2018.

2. In line with the Para 8.29A of the Main Market Listing Requirements and pursuant to Clause 65 of the Company's Constitution, Tan Sri Chairman informed that the voting at the 48th AGM would be conducted on a poll.
3. Tan Sri Chairman informed that the Company had appointed the share registrar Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") to act as poll administrator to conduct the polling process.
4. Tan Sri Chairman further informed that the Company had appointed Coopers Professional Scrutineers Sdn Bhd to act as Scrutineers to verify the poll results. The poll would be conducted when the deliberations on all items to be transacted at this meeting was completed.

## **PRESENTATION OF COMPANY PERFORMANCE AND REPLY TO MSWG QUERIES**

1. Tan Sri Chairman invited the President and Chief Executive Officer ("PCEO") of the company, Datuk Seri Ahmad Zaini bin Othman ("Datuk Seri Zaini") to present the snapshot of the Company's performance for the year 2017.
2. Datuk Seri Zaini after having presented the snapshot of the Company's performance then invited Encik Tang Yow Sai ("Encik Tang"), Chief Financial Officer to present the answers to queries raised by Minority Shareholder Watchdog Group ("MSWG").

## **ORDINARY BUSINESS**

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

Tan Sri Chairman informed that Agenda item 1 was meant for discussion only. The provision of Section 340 (1) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, Agenda item 1 was not put forward for voting.

The meeting then deliberated on this item. In summary, the issues raised by the shareholders/proxies were responded to by the Company as follows:-

#### **1. Questions from Shareholder (Encik Tan Kim Teng)**

- i. MBSB's capital amounting to RM6.172 billion was considered huge as compared to the other local bank such as Affin Bank Berhad (RM1.94 billion), AmBank (RM3.00 billion), Public Bank (RM3.88 billion), Hong Leong Bank (RM2.167 billion) and RHB Bank (RM4.0 billion). In the future, the dividend payment would be hard to keep up.
- ii. Proposed for KWSP to start the share buy-back and cancel the shares accordingly.

#### **Company Response**

- i. Datuk Seri Zaini informed that it was important to create stability of capital base, as well as to manage and structure the capital appropriately to facilitate growth.

#### **2. Questions from Shareholder (Encik Mohd Azhari bin Ismail ["Encik Azhari"])**

- i. Encik Azhari congratulated MBSB for the purchase of Asian Finance Bank Berhad, which was now known as MBSB Bank Berhad. With the Shariah Committee in place, there would be many opportunities in the shariah segment for MBSB Bank.
- ii. In comparison to pilgrimage functions managed by Tabung Haji, Encik Azhari proposed for the establishment of "Tabung Qurban". The depositors may deposit their investment in "Tabung Qurban" and qurban activities would be conducted on behalf of the depositors yearly. The funds collected could also be rolled-over by MBSB Bank accordingly.

- iii. Encik Azhari also proposed MBSB Bank to contribute to “Tabung Harapan”.
- iv. Encik Azhari informed that attendance allowance was given by Bank Rakyat to their shareholders attending AGM for year 2018.

**Company response**

- i. Tan Sri Chairman took note on the proposal to establish “Tabung Qurban” as highlighted by Encik Azhari.
- ii. Tan Sri Chairman also informed that contribution to Tabung Harapan was already made by MBSB Bank amounting to RM1.0 million.

3. **Questions from Shareholder (Encik Lee Lai Tiam [“Encik Lee”])**

- i. Encik Lee enquired on the action to be taken in respect to credit risk evaluation and approaches of loans approval. Encik Lee informed that the risk management/credit evaluation must be in place prior to approval of customers’ loans. Currently, MBSB’s non-performing loans (“NPL”) was higher as compared to other financial institutions i.e. Public Bank has the lowest NPL.
- ii. Encik Lee further enquired if MBSB’s credit evaluation process would be revamped in line with the current trend of interest rate increase. Appropriate evaluation on customers must be made carefully prior to disbursement.
- iii. Encik Lee commented that consideration must be taken into account when evaluating the risk of customers and provision of impairment.
- iv. Encik Lee also enquired the expectation of earning for next quarter, second half of 2018 and the earnings for 2019.

**Company response**

- i. Datuk Seri Zaini informed that the issue on impairment was also discussed in 2014. The impairment program had started in the Q4 2014. The impairment program had targeted about RM2.1 billion impairment over 3 years. Q4 2017 was the last year of the impairment program.
- ii. Datuk Seri Zaini informed that the impairment of legacy loans had followed the accounting standards. As far as credit assessment, MBSB adhere to a strict compliance of risk management culture and risk management parameters when assessing credit.

3. **Questions from Shareholder (Encik Lee Ann Puat [“Encik Lee”])**

- i. Encik Lee enquired on the following
  - (a) Whether the AGM was on MBSB or MBSB Bank.
  - (b) Based on the financial review, what would be the implication of being a full-fledged Islamic banking entity. Whether the organization is allowed to carry out the non-shariah compliance businesses.
  - (c) Expected losses on the non-Islamic sector.
- ii. Encik Lee also highlighted that for year 2017, MBSB’s performance had improved due to reduction of cost of fund and reduction in impairment. Concerning the impairment issue, Encik Lee enquired whether there would be mechanism/credit control system in place. He further raised that one of the weaknesses that the organization would not be able to generate more profit would be due to high impairment. Therefore, moving forward, he hoped that MBSB would have the proper infrastructure to manage this.

- iii. Concerning the business segments of MBSB, Encik Lee highlighted that the property development, hotel operations and its other segments were not making any profits as compared to financing segment. He commented that these segments should be closed down.
- iv. Encik Lee also queried on the approaches to be taken by MBSB Bank in competing with the other financial institutions. He enquired on the comparative advantages of MBSB Bank as well as whether MBSB Bank has the necessary human resources, competency and financial strength and the niche market to focused on.

#### **Company Response**

- i. Datuk Seri Zaini explained that the AGM was for MBSB being the public listed entity. The banking operations are carried out by MBSB Bank. The conventional businesses may remain at the Holding Company's level but would be scaled down over the next 2-3 years. After 3 years, the whole Group would become a shariah compliance entity as a Group.

When MBSB Bank acquired the license, 95% of the loans in MBSB were already Islamic facilities. The conventional products were very minimal. Currently the conversion was ongoing for the conventional products.

- ii. Concerning the impairment, Datuk Seri Zaini informed that the impairment programme has started in Q4 2014 and completed in Q4 2017. The impairment programme was put in place then to prepare MBSB for the banking platform. As for the query on credit control, MBSB Bank has in place the credit processes, credit management, risk management framework etc.

Datuk Seri Zaini explained that MBSB as a group had adhered strictly to the requirement set by BNM in terms of managing the credits and process to underwrite credit with the relevant policies in place.

- iii. Datuk Seri Zaini commented that the Management was looking to divest the non-core business.

#### **4. Questions from shareholder (Encik Kueh Yuoh How @ Kueh Yuah How ['Encik Kueh'])**

- i. For year 2017, the profits had improved tremendously but the share price was maintained at RM1.20 per share. In normal circumstances, if the profits improved, the share price would improve as well.
- ii. As a full-fledged Islamic Bank, whether the fixed deposit placement with MBSB Bank would be protected by Perbadanan Insurans Deposit Malaysia ("PIDM").
- iii. Encik Koay enquired on the allocation of RM250 million for digital investment, whether it has been approved or already been implemented. He queried on the expected profit to be generated based total capital outlay invested for digital investment.

#### **Company Response**

- i. Datuk Seri Zaini also informed that the fixed deposit placement with MBSB Bank was protected by PIDM.
- ii. Datuk Seri Zaini informed that MBSB would need to allocate the total amount of RM250 million for the digital investment for the purpose to upgrade the information technology ("IT") platform. Without the appropriate technology, MBSB Bank would not be competitive. The RM250 million would be utilize to upgrading the core banking system as well as on digital technology platform/capabilities.

#### **5. Questions from shareholder (Ms. Chen Wai Hong ['Ms. Chen'])**

- i. Ms. Chen highlighted the following:

- (a) Public Bank claimed that their cost to income ratio (“CIR”) for the past 10 years was between 30% - 32%, whereas the industry average was between 40% - 45%. However, MBSB’s cost to income ratio stands between 20% - 22% and may be the lowest in the market.
  - (b) For gross impaired ratio, even though MBSB has managed to reduce the ratio from 8% to 4.6%, the ratio was still high as the industry average was only 1.8%.
  - (c) The current capital ratio of MBSB.
- ii. Ms. Chen further enquired on the strategies to be taken by MBSB Bank in order to brand itself as a full-fledged Islamic banking institution among the non-Muslim customers. Strategies must also be taken to market the Islamic products to the non-Muslim customers.

**Company Response**

- i. Encik Tang explained that MBSB’s CIR ratio was much lower at 22% as at 31 December 2017. MBSB was definitely lower in terms of the ratio but in comparison with the structure, Public Bank would have more Branches as compared to MBSB.

Datuk Seri Zaini explained that upon full implementation, the CIR ratio would increase. However, the Management would endeavor to keep the costs down.

- ii. For gross impaired ratio, the management would continue to reduce the ratio which currently stands at 4.6% to be at par with the industry’s average.
- iii. Encik Tang explained that as compared to other banks similar capital ratio, the ratio as at 31 December 2017 were as follows:

Tier-1 Capital ratio	: 17.9%
Total Capital ratio	: 19%

The ratio was high because of the requirement by regulators prior MBSB acquiring MBSB Bank.

- iv. On the strategies to be taken to promote MBSB Bank among the non-Muslim customers, Datuk Seri Zaini informed that 60% of the corporate customers were non-Muslim customers and familiar with the products and services of MBSB Bank. MBSB Bank was already focusing on the product delivery and ensure that the products and services benefited the customers (in terms of the returns, efficiency and features).

**6. Questions from shareholder (Encik Muniandy Krishnan [Encik Muniandy a/l Karishnan [“Encik Muniandy”]])**

- i. Encik Muniandy highlighted on the capital reserve that has been held since 29 February 1972 and the amount has been transferred as share capital. He enquired whether the money has been used as investment or being idle all this while.
- ii. Encik Muniandy also highlighted that DRP could be considered as a good move to be done by the banking sector. He further proposed that the RM10 stamp duty to be absorbed by the organization for the shareholders.
- iii. Encik Muniandy commented that MBSB should divest/sell down all the subsidiaries which were not profitable.
- iv. Encik Muniandy proposed that a brochure to be sent to all shareholders so that they would be able to know the products offered by MBSB Bank.

**Company Response**

- i. Encik Tang explained that no funds left idle in the Group. The funds were utilized to maximized returns to the shareholders.
- ii. On the stamp duty for DRP, Datuk Seri Zaini informed that the RM10 stamp duty would be absorbed by MBSB.
- iii. Datuk Seri Zaini informed that the products by MBSB Bank were published in the website.

8. **Questions from shareholder (Encik Wong Chal Khoon [“Encik Wong”])**

- i. Encik Wong congratulated MBSB for obtaining the banking license and operating MBSB Bank.
- ii. Encik Wong commented that Public Bank has the best cost to income ratio amongst the banks. Encik Wong further commented that that Public Bank may have the lowest cost to income ratio due to their cross selling products i.e. insurance, unit trusts etc.
- iii. Encik Wong commented that in normal circumstance, the bank would be made as the holding company. The current structure where MBSB as the holding company could have certain tax implication. In view of this, Encik Wong enquired when MBSB Bank would be made the holding company.
- iv. Encik Wong also enquired the utilization of the RM250 million for digital initiatives.
- v. Encik Wong highlighted one example of digitalization of services was Standard Chartered Bank, where the customer services could be contacted at any time for banking operations. They have the resources to carry out such services.
- vi. Encik Wong further highlighted that the best financial Fintech is currently China. It was very impressive when application of loan made in the morning was able to be disbursed by the same day. If MBSB Bank would be able to do such, the cost to income ratio would be lower.
- vii. Encik Wong requested the Management to work into improving the waiting time for the withdrawal of fixed deposits.

**Company Response**

- i. Datuk Zaini highlighted that MBSB Bank had been in operation for only 6 months in comparison with other banks which has been in existence for so many years. Datuk Seri Zaini informed that MBSB Bank would learn and try to improve its services accordingly.
- ii. Datuk Seri Zaini informed that the cost to income ratio would always being observed and monitored. MBSB intent to observe and measure the cost to income ratio in order to ensure that it would be within the industry level or even lower than the industry level.
- iii. Datuk Seri Zaini informed that the Management is studying various models structure to make the model more efficient for MBSB and the Bank.
- iv. Datuk Seri Zaini informed that the budget for digital initiatives would be utilized to strengthen and upgrade the core Banking System and to enable MBSB Bank to offer the full suite of banking products.

9. **Questions from shareholder (Encik Ho Shui Fah @ John Ho [“Encik Ho”])**

- i. Based on page 233 and Notes No. 33, Encik Ho highlighted that the “Effect of expenses not deductible for tax purposes” has increased from RM13.736 million in 2016 to RM49.616 million in year 2017.

- ii. Based on page 197 and Notes No. 7 (Other Receivables), Encik Ho highlighted that MBSB's foreclosed properties in year 2016 was RM138.658 million and RM135.405 in year 2017. He enquired whether there is a department or people specifically looking at the foreclosed property as nothing much has been done over the year either to sell them off, carrying out auction or realized the property for MBSB's use.
- iii. Encik Ho also informed that from the going forward program explained, MBSB would intensify and improved on the recovery of existing loan. Encik Ho further highlighted that something must be done to realize the foreclosed property as fast as possible.

**Company Response**

- i. The increase of allowable tax expenses in year 2017 was due to the increase in the provision for some of the subsidiaries due to impairment. It was not allowable for tax expenses.
- ii. Datuk Seri Zaini explained that a specific program and an integrated team/department was in place in MBSB for the foreclosed property. The team would manage new foreclosures as well as the existing foreclosed property. Most of the foreclosed property was in the litigation stage.

10. **Questions from shareholder (Encik Chan Yean Lin ["Encik Chan"])**

- i. Encik Cheang highlighted that based on the earlier explanation, 3 years was taken for the impairment programme. In Q1 2018, action was taken to write back the impairment. Encik Cheang enquired on total time that would be taken to carry out the write back of impairment.
- ii. Encik Cheang also enquired whether MBSB Bank would have the license to sell takaful insurance.

**Company Responses**

- i. Encik Tang explained that the impairment program which started in Q4 2014 had ended in Q4 2017. In Q1 2018, there was a write back for some of the impairment due to early settlement by the corporate customer and also better collections efforts which was a continuation from year 2017.
- ii. Datuk Seri Zaini informed that there was no immediate plan for MBSB to obtain the takaful license.

11. **Questions from shareholder (Encik Loke Kok Yuan ["Encik Loke"])**

- i. Encik Loke queried on the consumption of paper reams which had increased from 6.17 ream in 2016 to 8.15 ream per employee in year 2017. He enquired the reason for the increase.
- ii. Based on the presentation, Encik Loke highlighted on the branding which has been made under various initiatives. He raised the issue that the name "MBSB" carried out the meaning of "Building Society" and whether there would be any concern moving forward as it may create different perception.

**Company Response**

- i. Datuk Seri Zaini explained that 2017 had been an eventful year whereupon there were a large number of meetings to facilitate the merger discussions. Hence, there was increase in paper usage. MBSB Bank had already moved to the digital IT platform, it is hoped that the usage of paper reams could be reduced in year 2018.
- ii. In terms of the name branding, it has been discussed at great length. MBSB was a company which has been in establishment for 68 years with its own strength and capabilities. In time to come, it is hoped that the name "MBSB" would carry through well in reflecting the strength of the entity and its historic value. For now, the reception and acknowledgement received from the public was quite good.

12. **Questions from shareholder (Encik Tai Shih Chan [“Encik Tai”])**

- i. Encik Tai highlighted that in moving forward, quite a lot of spending such as RM250 million for IT purposes was allocated. He enquired on the targeted growth in terms of the topline and bottom line. Quite a number of ideas and plan was in place but the targeted profit, income and the revenue was not projected.
- ii. Encik Tai also mentioned that prior the impairment program, MBSB was doing better in terms of the profit generation.
- iii. Moving forward, it is expected that investment would be made in changing the business into banking platform. In view of this matter, Encik Charles enquired whether the revenue growth would be able to cover all the spending made.
- iv. Encik Tai highlighted that based on Q1 2018 net income result, there was not much progress in comparison to the net income in the previous years. Further, the capital based has also grown but the income level was still similar to the performance of few years ago. Encik Charles enquired whether MBSB is expected to perform better in future based on the increase of the capital base.

**Company Responses**

- i. Datuk Seri Zaini informed that being a public listed company, it was not appropriate for MBSB to disclose the projection of the numbers to avoid speculation. However, the business plan prepared was comprehensive and the same was also presented to the regulators.
- ii. Concerning the spending into the new banking platform, Datuk Seri Zaini explained that the spending was needed to enable MBSB Bank to offer to the public, the full suite of banking products. In term of revenue, it is hoped that MBSB would achieve more in terms of fee based income opportunities.
- iii. Datuk Seri Zaini explained that the Q1 2018 results was prior to the vesting of the Islamic Assets and Liabilities of Asian Finance Bank Berhad (now known as MBSB Bank Berhad).

13. **Questions from shareholder (Encik Sew Eng Keat [“Encik Sew”])**

- i. Encik Sew highlighted the investment made on IT technology and Fintech. In view of this, the shareholder enquired the targeted niche to be achieved.
- ii. Encik Sew also enquired on the involvement of MBSB Bank in terms of the cashless society in the future.

**Company Response**

- i. Datuk Seri Zaini informed that the niche for internet banking as well as the cashless products and services are within MBSB Bank’s product planning. The Bank would be offering the full suite of banking products to the market.

Tan Sri Chairman further informed that the Audited Financial Statements of the Company and of the Group for the year ended 31 December 2017 and Reports of the Directors and Auditors thereon were received.

**2.0 TO DECLARE A SINGLE-TIER FINAL DIVIDEND OF 5.0 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Tan Sri Chairman informed that the Ordinary Resolution No. 1 was to declare a single-tier final dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2017.

Resolution 1 was proposed by Ms. Tan Khar Gut and seconded by Encik Koay Chew Bin, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.



**3.0 TO APPROVE PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM1,363,333 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Tan Sri Chairman informed that the Ordinary Resolution No. 2 was to approve payment of Directors' Fees amounting to RM1,363,333 for the financial year ended 31 December 2017.

Resolution 2 was proposed by Encik Thilaganaban S Mariapren and seconded by Encik Vinesh Kumar, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**4.0 TO APPROVE PAYMENT OF BENEFITS (EXCLUDING DIRECTORS' FEES) PAYABLE TO NON-EXECUTIVE DIRECTORS FROM THE DATE OF THIS AGM UNTIL THE NEXT AGM OF THE COMPANY IN 2019**

Tan Sri Chairman informed that the Ordinary Resolution 3 was to approve the payment of benefits (excluding Directors' Fees) payable to Non-Executive Directors from the date of this AGM until the next AGM of the Company in 2019.

Upon the proposal by Encik Vinesh Kumar and seconded by Encik Kuay Chen Bin, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**5.0 TO RE-ELECT DATUK SHAHRIL RIDZA BIN RIDZUAN WHO RETIRE IN ACCORDANCE WITH ARTICLE 86 OF THE COMPAN'S CONSTITUTION AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION**

Tan Sri Chairman informed that the Ordinary Resolution 4 was to re-elect Datuk Shahril Ridza Bin Ridzuan who retired pursuant to Article 86 of the Company's Constitution.

Upon the proposal by Shah Rani Zakaria and seconded by Encik Arokiadass A/L Thomas Lourdesamy, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**6.0 TO RE-APPOINT MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION**

Tan Sri Chairman informed that the Ordinary Resolution No. 5 was to re-appoint Messrs. Ernst & Young as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Tan Sri Chairman informed that the representatives of Auditors were present as required under Section 285 of the Companies Act 2016.

Upon the proposal by Encik Chin Yen Choon @ Chin Chin Choy and seconded by Encik Leo Ann Puat, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**7.0 TO AUTHORISE THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016**

Tan Sri Chairman informed that the Ordinary Resolution No. 6 was to grant authority to the Directors to issue shares pursuant to Section 75 of the Companies Act, 2016, at any time until the conclusion of the next Annual General Meeting, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being.

Upon the proposal by Encik Chin Yoong Chee and seconded by Encik Arokiadass A/L Thomas Lourdesamy, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**8.0 TO CONSIDER AND APPROVE THE ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MBSB (“MBSB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MBSB (“SHAREHOLDERS”) TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MBSB SHARES (“DIVIDEND REINVESTMENT PLAN”).**

Tan Sri Chairman informed that the Ordinary Resolution No. 7 was consider and to approve the allotment and issuance of new MBSB Shares pursuant to the Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting.

Upon the proposal by Encik Yap Wie Len and seconded by Encik Lim E’sion, Tan Sri Chairman informed that the poll vote would be conducted upon completion of the remaining business of the meeting.

**9.0 POLL PROCESS**

Tan Sri Chairman invited representative from Tricor to explain the procedure of the poll vote to the Members of the meeting.

Puan Suzana Abd Rahim (“Puan Suzana”) of Tricor explained the procedure for the conduct of poll vote at the meeting.

Tan Sri Chairman declared that the meeting adjourned at 12.30 noon for the poll vote count and shall resume at 1.00 p.m. for declaration of poll results.

**10.0 ANNOUNCEMENT OF POLL RESULTS**

10.1 Tan Sri Chairman called the meeting to order for declaration of results. The Results was received from Tricor and the details were as follows:-

10.2 **ORDINARY RESOLUTION 1**  
**TO DECLARE A SINGLE-TIER FINAL DIVIDEND OF 5.0 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The poll results in respect of Resolution 1 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 1</b>	4,077,330,472	99.954	1,870,240	0.046	4,079,200,712	100.00

Tan Sri Chairman declared that Resolution No. 1 was duly passed as follows:-

“That the payment of Single-Tier Final Dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2017 be approved.”

10.3 **ORDINARY RESOLUTION 2**  
**TO APPROVE PAYMENT OF DIRECTORS’ FEES AMOUNTING TO RM1,363,333 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The poll results in respect of Resolution 2 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 2</b>	4,078,351,050	99.984	665,293	0.016	4,079,016,343	100.00

Tan Sri Chairman declared that Resolution No. 2 was duly passed as follows:-  
 “That the payment of Directors’ Fees amounting to RM1,363,333 for the financial year ended 31 December 2017 be approved.”

10.4 **ORDINARY RESOLUTION 3**  
**TO APPROVE PAYMENT OF BENEFITS (EXCLUDING DIRECTORS’ FEES) PAYABLE TO NON-EXECUTIVE DIRECTORS FROM THE DATE OF THIS AGM UNTIL THE NEXT AGM OF THE COMPANY IN 2019**

The poll results in respect of Resolution 3 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 3</b>	4,076,856,289	99.947	2,160,054	0.053	4,079,016,343	100.00

Tan Sri Chairman declared that Resolution No. 3 was duly passed as follows:-

“That the payment of benefits (excluding Directors’ Fees) payable to Non-Executive Directors from the date of this AGM until the next AGM of the company in 2019 be approved.”

10.5 **ORDINARY RESOLUTION 4**  
**TO RE-ELECT DATUK SHAHRIL RIDZA BIN RIDZUAN WHO RETIRE IN ACCORDANCE WITH ARTICLE 86 OF THE COMPANYS CONSTITUTION AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION**

The poll results in respect of Resolution 4 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 4</b>	4,078,034,939	99.971	1,168,061	0.029	4,079,203,000	100.00

Tan Sri Chairman declared that Resolution No. 4 was duly passed as follows:-

“That Datuk Shahril Ridza Bin Ridzuan who retired in accordance with Article 86 of the Company’s Constitution be re-elected as Non-Independent Non-Executive Director of the Company.”

10.6 **ORDINARY RESOLUTION 5**  
**TO RE-APPOINT MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION**

The poll results in respect of Resolution 5 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 5</b>	4,077,629,092	99.961	1,573,908	0.039	4,079,203,000	100.00

Tan Sri Chairman declared that Resolution No. 5 was duly passed as follows:-

“That Messrs. Ernst & Young be re-appointed as Auditors of the Company and to authorise the Directors to determine their remuneration.”

10.7 **ORDINARY RESOLUTION 6**  
**TO AUTHORISE THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016**

The poll results in respect of Resolution 6 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 6</b>	4,078,022,930	99.971	1,180,070	0.029	4,079,203,000	100.00

Tan Sri Chairman declared that Resolution No. 6 was duly passed as follows:-

**Authority to allot and issue shares**

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant government/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Act, to allot and issue shares in the Company to such persons, at any time, 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 to be issued does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be also empowered to obtain the approval from the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.”

10.8 **ORDINARY RESOLUTION 7**  
**TO CONSIDER AND APPROVE THE ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MBSB (“MBSB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MBSB (“SHAREHOLDERS”) TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MBSB SHARES (“DIVIDEND REINVESTMENT PLAN”)**

The poll results in respect of Resolution 7 was as follows:-

Resolution	Votes For		Vote Against		Total Votes Present & Voted	
	Share/Unit	%	Share/Unit	%	Share/Unit	%
<b>Ordinary Resolution 7</b>	4,078,570,126	99.984	632,874	0.016	4,079,203,000	100.00

Tan Sri Chairman declared that Resolution No. 7 was duly passed as follows:-

**Allotment and issuance of new Ordinary Shares in MBSB (“MBSB Shares”) in relation to the Dividend Reinvestment Plan that allows shareholders of MBSB (“Shareholders”) to reinvest their dividend to which the dividend reinvestment plan applies, in new MBSB Shares (“Dividend Reinvestment Plan”).**

“THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 10 December 2013, approval be and is hereby given to the Company to allot and issue such number of new MBSB Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the interest of the Company PROVIDED:-

- i. THAT the issue price of the said new MBSB Shares shall be fixed by the Directors at a discount of not more than ten percent (10%) to the five (5)-day volume weighted average price (“VWAP”) of MBSB Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors of the Company be and are hereby authorized to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Dividend Reinvestment Plan as the Directors may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Dividend Reinvestment Plan.”

**CLOSE OF MEETING**

There being no notice received for any other business, the Chairman concluded the Meeting at 1.15 p.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD

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CHAIRMAN