

ZELAN BERHAD
(Company No: 27676-V)
(Incorporated in Malaysia)

MINUTES OF THE 42ND ANNUAL GENERAL MEETING (“AGM OR MEETING”) OF ZELAN BERHAD (“ZELAN” OR “COMPANY”) HELD AT MAHKOTA II, BR LEVEL, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50250 KUALA LUMPUR ON THURSDAY, 31 MAY 2018 AT 2:30 P.M.

PRESENT: YBhg. Dato’ Anwar Aji (Chairman)
YBhg. Datuk Ooi Teik Huat
YBhg. Datuk Puteh Rukiah Abd Majid
Encik Suhaimi Halim
Encik Mohd Shukor Abdul Mumin

IN ATTENDANCE: Puan Ellis Suryanti Jasmi
Encik Noor Raniz Mat Nor
(*Company Secretaries*)

BY INVITATION: Encik Johari Yahya
(*Chief Operating Officer*)
Encik Mohd Nasir Hj Md Saad
(*Head of Finance*)
Puan Intan Nurulfaiza Yang Razali
(*Head of Legal*)
Puan Hew Chooi Yoke
Puan Esther Chong
[*Representatives from PricewaterhouseCoopers (“PwC”)*]

**SHAREHOLDERS/
PROXIES PRESENT:** As per the shareholders/proxies attendance lists

1.0 WELCOMING REMARKS

- 1.1 The Chairman, YBhg. Dato’ Anwar Aji, extend his warm welcome to all the shareholders, proxy holders and authorised personnel of corporate shareholders.
- 1.2 The Chairman introduced the members of the Board, Senior Management Team and the external auditors.
- 1.3 Before proceeding with the agenda of the meeting, the Chairman with great sadness informed the shareholders that YBhg. Dato’ Abdullah bin Mohd Yusof (“Dato’ Abdullah”), the Senior Independent Non-Executive Director of the Company, had passed away on 25 April 2018. The Chairman, on behalf of the Board of Directors (“Board”) and the shareholder of the Company, extended heartfelt condolence to the family of the Allahyarham Dato’ Abdullah and placed on record of the Company’s deepest appreciation for his services rendered to the Company.

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- 1.4 The Chairman also placed on record of appreciation to Dato' Sri Che Khalib bin Mohamad Noh who has resigned from the Board.

2.0 QUORUM OF MEETING

- 2.1 Upon confirmation by the Company Secretaries, the Chairman informed the Meeting that a quorum was present to convene the Meeting.

3.0 NOTICE OF MEETING

- 3.1 On the proposal by the Chairman, the Meeting agreed that the Notice convening the Meeting dated 27 April 2018 be taken as read.

- 3.2 Before proceeding with the business, the Chairman briefed the shareholders that, in accordance with paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), all motions and/or resolutions will be voted by way poll.

- 3.3 He further briefed that Symphony Share Registrars Sdn Bhd has been appointed as the Poll Administrator and Symphony Corporate House Sdn Bhd has been appointed as the Scrutineer. The Chairman informed the shareholders that the voting at the 42nd AGM would be conducted by way of electronic polling ("e-polling").

4.0 DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

- 4.1 The Reports of the Directors and Auditors and the Audited Financial Statements for the financial year ended 31 December 2017, having been circulated to the members, were duly tabled at the Meeting for discussion and do not require shareholders' approval.

- 4.2 The Chairman proposed that the Independent Auditors' Report which appeared on pages 45 to 49 of the Annual Report be taken as read and this was agreed by the Meeting.

- 4.3 The Chairman informed the shareholders that the Company had received a letter dated 21 May 2018 from the Minority Shareholder Watchdog Group ("MSWG"), enquiring on the financial performance of the Company for the financial year ended 31 December 2017 as well as matters relating to resolutions.

- 4.4 The Chairman invited the Company Secretary to read out the questions raised by MSWG and Management responded thereafter. (A copy of the Q&A is attached as *Appendix I*).

- 4.5 The Chairman invited questions from the floor regarding the Audited Financial Statements for the financial year ended 31 December 2017.

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- 4.6 Several shareholders/proxies raised various comments and questions at the Meeting, which were duly answered by the Chairman.

Encik Ng Seet Kow, a shareholder, raised the issue on reason of loss after taxation of RM74.0 million in the financial year ended 2017 and loss of RM67.6 million in year 2016. He also rose what is the future and prospect of Zelan's business for the next 5 years.

The Chairman invited the Encik Mohd Nasir Hj Md Saad (Head of Finance) to respond to the question and in response of the query Encik Nasir explained that for the current year under review, the Group recorded revenue of RM70.9 million as compared to revenue of RM222.8 million in the corresponding period of last year which is lower by RM151.9 million or equivalent to 68.2%. This lower revenue was mainly attributed to the lower revenue from local projects of RM70.9 million as compared to revenue of RM222.8 million recorded in the financial year ended 31 December 2016.

The Group's current year loss after zakat and taxation ("LAZT") of RM74.0 million was due to the lower interest income of RM36.8 million as compared to RM38.6 million recorded in the preceding year, higher diminution in carrying value of investment of RM54.1 million against RM47.9 million recorded in the preceding year, provision for impairment of receivables of RM3.7 million whereas no provision was made in the financial year ended 31 December 2016, unrealised foreign exchange loss of RM13.2 million as compared to a gain recorded in the year 2016 of RM5.7 million and income tax of RM2.9 million in the financial year ended 31 December 2017 as compared to RM0.6 million recorded in the preceding year.

In respect of the future and prospect of Zelan's business, the Chairman informed the Meeting that Zelan will continue to participate in bids and tenders for local projects and work together with its strategic partners in order to win projects bids and tenders.

Encik Cheah Eng Heng, a shareholder, enquired on the status of payment in respect of the International Islamic University of Malaysia ("IIUM"), Gambang Campus, Pahang project.

The Chairman responded to the question by highlighting that Zelan has achieved the completion date with the issuance of Certificate of Practical Completion ("CPC") and Certificate of Completion and Compliance ("CCC"). Unfortunately, IIUM has yet to issue the Certificate of Acceptance due to the number of defects which Zelan has to rectify. As at 27 May 2018, a joint inspection was carried out by IIUM and Zelan and there were 2 rectification works required to be attended by Zelan to enable issuance of the Certificate of Acceptance. The Chairman informed the Meeting that Management will try its best endeavor to negotiate and further discuss with the relevant Government authorities to convince them that the 2 remaining rectification works can be done after handing over of the

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facilities to IIUM as they have no impact to utilisation of the facility. Nonetheless, payment will only be made by IIUM after the issuance of the Certificate of Acceptance.

Encik Cheah Eng Heng further enquired on the status of the Gombak Integrated Transport Terminal (“GITT”) project and the proceeds from the disposal of GITT project. In reply to the queries by Encik Cheah Eng Heng, the Chairman explained that Zelan is unable to proceed with the development of the project due to the status of the land, a Malay Reserve land, in which the development of the project has to be carried out by a Malay holding company. Therefore, Zelan with the approval of the Government of Malaysia has transferred its duties, obligations and responsibilities under the main contract of the GITT project to a third party, to recover the project cost of approximately RM15.0 million and we received the payment within nine (9) months’ periods.

After dealing with all issues raised by the shareholders, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 December 2017 and the Directors’ and Auditors’ Reports thereon, be received by the shareholders.

5.0 RESOLUTION 1

RE-ELECTION OF YBHG. DATUK PUTEH RUKIAH BINTI ABD MAJID, WHO RETIRES IN ACCORDANCE WITH ARTICLE 78 OF THE COMPANY’S CONSTITUTION

- 5.1 The Chairman informed the Meeting that Datuk Puteh Rukiah binti Abd Majid is seeking re-election as Director pursuant to Article 78 of the Company’s Constitution.
- 5.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 2.

6.0 RESOLUTION 2

RE-ELECTION OF ENCIK MOHD SHUKOR BIN ABDUL MUMIN, WHO RETIRES IN ACCORDANCE WITH ARTICLE 78 OF THE COMPANY’S CONSTITUTION

- 6.1 The Chairman informed the Meeting that Encik Mohd Shukor bin Abdul Mumin, is seeking re-election as Director pursuant to Article 78 of the Company’s Constitution.
- 6.2 Before putting the motion to the Meeting the Chairman invited questions from the floor.

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- 6.3 Encik Chua Kim Ling, a shareholder proposing for the resolution to be dropped and further proposed for a better candidate to be appointed as Director in view of late arrival of Encik Mohd Shukor Abdul Mumin for the Annual General Meeting which indicates lack of commitment on part of Encik Mohd Shukor as the Non-Executive Director of Zelan.

The Chairman responded that the Resolution 2 could not be dropped as proper Notice of Meeting had been given to the shareholders which contained Company's resolutions to be passed during the Meeting. Nevertheless, shareholders are entitled to vote for or against the said resolution. Since there was no more question raised, the Chairman proceeded with Resolution 3.

7.0 RESOLUTION 3

PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM441,000 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

- 7.1 The Chairman informed the Meeting that the Company is seeking approval on the payment of Directors' fees amounting to RM441,000 as disclosed in the Audited Financial Statements for the financial period ended 31 December 2017.
- 7.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 4.

8.0 RESOLUTION 4

PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM371,159 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 AND TO AUTHORISE THE DIRECTORS TO APPORTION THE AFORESAID FEES AND MAKE PAYMENT IN THE MANNER AS THE DIRECTORS MAY DETERMINE

- 8.1 The Chairman informed the Meeting that the Company is seeking approval on the payment of Directors' fees amounting to RM371,159 as disclosed in the Audited Financial Statements for the financial year ending 31 December 2018.
- 8.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 5.

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9.0 RESOLUTION 5

PAYMENT OF REMUNERATION PAYABLE TO THE NON-EXECUTIVE DIRECTORS AMOUNTING TO RM379,500 FROM 1 JUNE 2018 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY

- 9.1 The Chairman informed the Meeting that the Company is seeking approval on the payment of Directors' remuneration (excluding Directors' fees and Board committee fees) to the Non-Executive Directors amounting RM379,500 from 1 June 2018 until the conclusion of the next annual general meeting of the Company.
- 9.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 6.

10.0 RESOLUTION 6

RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT ("PWC") (LLP0014401-LCA & AF 1146), HAVING CONSENTED TO ACT AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

- 10.1 The Chairman informed the Meeting that PwC had given their consent for re-appointment as Auditors and the Company is seeking approval from its members on the re-appointment of PwC as Auditors of the Company until the conclusion of the next AGM, and that the remuneration to be paid to them be fixed by the Board.
- 10.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 7.

11.0 RESOLUTION 7

PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

- 11.1 The Ordinary Resolution 7 relates to the Chairman's re-election, for good governance the chair was passed to YBhg. Datuk Ooi Teik Huat to conduct the proceeding of the Meeting.

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Thereafter, YBhg. Datuk Ooi Teik Huat informed the Meeting that YBhg Dato' Anwar bin Haji @ Aji is seeking re-appointment to continue to act as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.

- 11.2 Before putting the motion to the Meeting the Chairman invited questions from the floor.

Since there was no question raised, Dato' Anwar Aji resumed the Chair and proceeded with Resolution 8.

12.0 RESOLUTION 8

AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016

- 12.1 The Chairman informed the Meeting that the Company is seeking approval from its members on the Directors' authority to issue and allot shares pursuant to 75 of the Companies Act, 2016 at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10.0%) of the paid-up share capital of the Company at the time of issue AND THAT the Board is also empowered to obtain the approval of Bursa Malaysia and any other relevant approvals as may be necessary for the listing of and quotation for the additional shares so issued.

- 12.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. Since there was no question raised, the Chairman proceeded with Resolution 9.

13.0 RESOLUTION 9

RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH MMC CORPORATION BERHAD AND ITS SUBSIDIARIES, TRADEWINDS CORPORATION BERHAD AND ITS SUBSIDIARIES AND DRB-HICOM BERHAD AND ITS SUBSIDIARIES

- 13.1 The Chairman informed the Meeting that the Company is seeking approval from its members on the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and DRB-HICOM Berhad and its subsidiaries.

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AND THAT such approval shall be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier AND THAT the Directors and/or any of them be and hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transaction made during the financial period, amongst others, based on the following information:

- (i) the type of the recurrent transactions entered into; and
- (ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company.

13.2 Before putting the motion to the Meeting the Chairman invited questions from the floor. There was no question raised on this item of the agenda.

14.0 POLL PROCESS

14.1 Since there was no question raised by the shareholders, the Chairman proceeded with the voting of all the resolutions tabled at the Meeting. Prior to the commencement of the voting, the Chairman invited Puan Rozleen Monzali, the Poll Administrator to brief the e-polling procedures to the members.

14.2 Upon completion of the briefing, the Chairman informed the shareholders that the casting and verification of the votes would take approximately 20 minutes. He further requested the shareholders to return to their seats after e-polling for the announcement of results. The Chairman placed on record that several shareholders have appointed him to be their proxy and will vote per their instructions.

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15.0 ANNOUNCEMENT OF POLL RESULTS

At 3:25 p.m., the Chairman reconvened the meeting and announced the results of the e-polling as follows:

- (1) Re-election of YBhg. Datuk Puteh Rukiah binti Abd Majid, who retires in accordance with Article 78 of the Company's Constitution.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 1	332,284,874	99.4968	1,680,550	0.5032

The Chairman declared that Ordinary Resolution 1 carried.

- (2) Re-election of Encik Mohd Shukor bin Abdul Mumin, who retires in accordance with Article 78 of the Company's Constitution.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 2	332,088,274	99.4379	1,877,150	0.5621

The Chairman declared that Ordinary Resolution 2 carried.

- (3) Payment of Directors' fees amounting to RM441,000 to the Non-Executive Directors of the Company for the financial year ended 31 December 2017.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 3	332,233,874	99.4815	1,731,550	0.5185

The Chairman declared that Ordinary Resolution 3 carried.

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- (4) Payment of Directors' fees amounting to RM371,159 to the Non-Executive Directors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to apportion the aforesaid fees and make payment in the manner as the Directors may determine.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 4	332,233,874	99.4815	1,731,550	0.5185

The Chairman declared that Ordinary Resolution 4 carried.

- (5) Payment of remuneration payable to the Non-Executive Directors amounting to RM379,500 from 1 June 2018 until the conclusion of the next AGM of the Company.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 5	332,244,424	99.4847	1,721,000	0.5153

The Chairman declared that Ordinary Resolution 5 carried.

- (6) Re-appointment of Messrs. PricewaterhouseCoopers PLT ("PwC") (LLP0014401-LCA & AF 1146), having consented to act as Auditors of the Company, to hold office until the conclusion of the next AGM and to authorise the Directors to determine their remuneration

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 6	332,295,424	99.4999	1,670,000	0.5001

The Chairman declared that Ordinary Resolution 6 carried.

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- (7) Re-appointment of YBhg. Dato' Anwar Aji, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 7	332,284,774	99.4968	1,680,650	0.5032

The Chairman declared that Ordinary Resolution 7 carried.

- (8) Authority to issue and allot shares.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 8	332,295,424	99.4999	1,670,000	0.5001

The Chairman declared that Ordinary Resolution 8 carried.

- (9) Proposed renewal of shareholders' mandate for recurrent related party transactions of Revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and DRB-HICOM Berhad and its subsidiaries.

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 9	715,345	29.9892	1,670,000	70.0108

The Chairman declared that Ordinary Resolution 9 not carried.

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16.0 CLOSE OF MEETING

- 16.1 The Chairman expressed his appreciation to shareholders present for their attendance.

There being no further business, the Meeting was declared closed by the Chairman at 3:45 p.m. with a vote of thanks to the Chairman.

SIGNED AS CORRECT RECORD

-Signed-

CHAIRMAN

DATE: 28 November 2018