



YTL Power International Berhad

Company No. 199601034332 (406684-H)

**TWENTY-THIRD ANNUAL GENERAL MEETING (“AGM”) HELD AT
MAJESTIC BALLROOM, LEVEL 2, THE MAJESTIC HOTEL KUALA LUMPUR,
5 JALAN SULTAN HISHAMUDDIN, 50000 KUALA LUMPUR
ON THURSDAY, 12 DECEMBER, 2019**

SUMMARY OF PROCEEDINGS AND KEY MATTERS DISCUSSED

WELCOME ADDRESS

Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, the Chairman of the Board of Directors, welcomed all the attendees to the AGM.

QUORUM

There being the requisite quorum, the AGM was called to order at 10.00 a.m.

NOTICE OF MEETING

The notice convening the AGM as set out in the Annual Report was taken as read with the agreement of the members, corporate representatives and proxies present (collectively, “**Members**”).

ORDINARY BUSINESS

Audited Financial Statements and Reports for the financial year ended 30 June 2019

The Company’s audited financial statements for the financial year ended 30 June 2019 (“**FY2019**”) together with the Reports of the Directors and Auditors (“**Audited Financial Statements**”) were tabled only for discussion as they did not require members’ approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this matter was not put for voting.

The Minority Shareholder Watchdog Group (“**MSWG**”) raised several queries, which were also set out in its letter to the Company dated 5 December 2019. The questions were shown to the Members via slides. The answers provided by the Managing Director were as follows:-

Strategic & Financial

- (1) PowerSeraya performance & competition
– MSWG commentary see Note A below

- (a) What is YTL Power’s view on the price cutting strategy adopted by electricity retailers including Geneco to compete in the OEM segment? Is the price cut among players sustainable?

Geneco carries out the retail business, but it is not a significant part, representing only about 1.1% of YTL PowerSeraya’s total revenue for FY2019.

Nevertheless, Geneco’s OEM strategy is to acquire customers and gain market share in the first year when the market opened. As the OEM market matures, the pricing will move towards a more sustainable level.

- (b) How does the market competition benefit/affect Geneco, and in turn YTL PowerSeraya? What are the competitive advantages and disadvantages of Geneco compared to the other 11 retailers?

The OEM allows Geneco to enter the new business to consumer (“B2C”) segment. Geneco’s self-service portal is easy to use and registration is fast. Geneco offers competitive pricing as well as tie-ups with various banks/partners.

There are also various modes of payments, and Geneco markets itself as a socially responsible company, and offers “green” plans as well.

- (2) Due to the excess in generation capacity, the Company had expected that there will be some consolidation in the power generation sector in Singapore (pg. 3 AR2019).

Does the current environment present opportunities for YTL Power to acquire or consolidate with other market players? Is there a need for the Company to undertake such a plan?

Yes, we believe that consolidation within the industry is necessary particularly as it would bring stability to prices and ensure the ongoing viability of the generation industry.

As YTL Power owns 100% of YTL PowerSeraya, we are able to act expediently should good opportunities for mergers or consolidation arise.

Given recent developments in the market with other players which have been publicised in the media, we expect that the regulators are looking to address the structural issues and they have recognised that the market structure must also enable the gencos to operate on a viable basis.

We believe in the long-term prospects of Singapore’s electricity sector.

- (3) The EMA forecasted about 2800MW of generation capacity which will be retired from system until 2021. In addition to this, EMA also observed that the reserve margin over the next four years (2020-2023) will dip below 30%^(B).

Given the view expressed by the EMA, does YTL Power plan to retire some of its generation capacity? How will a combination of these factors affect YTL PowerSeraya's performance for the next 2-3 years?

With reserve margin decreasing, it will have positive impact to wholesale pool prices, which is good for the retail prices. The company is cautiously optimistic of the performance.

YTL PowerSeraya has already retired 698 MW of steam plants capacity in July 2019. These steam plants (with zero net book value) are seldom run, hence there is no impact to the company.

The retirement of capacity also does not affect YTL PowerSeraya's licensed capacity of 3,100 MW.

- (4) Malaysia Electricity Supply Industry 2.0 (MESI 2.0) master plan/ liberalisation
– MSWG commentary see Note C below

- (a) How does the shift to a capacity and energy market affect YTL Power's power generation business in Malaysia compared to the current lower risk PPA model that promises guaranteed capacity and energy payments?

We look forward to the forthcoming liberalisation of the market and we are optimistic that we would be able to compete well in a liberalised market which may also bring about new investment opportunities.

We also have the added experience from operating in Singapore's liberalised market for the past decade and can leverage this expertise.

- (b) What is the status of discussion between YTL Power and the government pertaining to Paka Power Station's PPA set to expire on 30 June 2021?

The existing PPA still has quite some time to run so it is early to begin discussions. In addition, with the announcement MESI 2.0, it remains to be seen how any new contracts will be structured going forward.

- (c) How will the Company benefit from the liberalisation of the fuel procurement market to IPPs?

As we also have our power generation business in Singapore, there may be opportunities for bulk purchases of fuel that would enable us to increase economies of scale and achieve greater cost efficiencies across our businesses in Malaysia and Singapore.

We expect that liberalisation would incentivise IPPs to source for cheaper fuel and this would benefit both the IPPs and customers.

- (d) What are the other changes the Company expects to see in the local power industry with the roll out of MESI 20?

The plans announced by the government are promising and we are optimistic about the liberalised market.

The proposals to promote the development of renewable energy sources such as solar are also encouraging.

- (5) The Water Services Regulation Authority (Ofwat) is currently undertaking a regulatory process for Wessex Water's price review with the final determination expected to be published towards the end of 2019 (pg 26 AR). What is the current status of the review?

We received the draft determination from Ofwat for the period 2020-2025 back in July and as requested submitted our response by end of August.

The final determinations for all companies will be received on 16 December 2019.

Corporate Governance

- (1) Tan Sri Datuk Dr Aris Bin Osman @ Othman has served the Board for 13 years six months. Under Practice 4.2 MCCG^(D), the Board should seek annual shareholders' approval through a two-tier voting process.

Does the Company plan to adopt two-tier voting? If so, by when?

Currently, approval is sought on an annual basis through a vote of all shareholders.

The Company continues to take the view that shareholders are entitled to rely on the principle of one-share, one-vote, subject to any restrictions set out in the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notes:-

- (A) **MSWG commentary:-**
YTL PowerSeraya's retain arm, Geneco, is offering a tariff rate of as low as 17.62 cents per kWh to Singapore households under the Open Electricity Market Plan (OEM) initiative. This has made Geneco being ranked third in terms of cheapest tariff rate among the 12 electricity retailers in the country, according to the comparison tool on OEM's website (<https://compare.openelectricitymarket.sg/#/pricePlans/list>).
- The price cut was at the expense of YTL Power's bottom line, and the low retail and ancillary margin has been attributed as one of the reasons that contributed to a RM242.1 million loss before tax in the Multi Utilities Business, in contrast to a segment profit of RM71.85 million in FY2018 (pg.13, 234, 235, AR2019).
- (B) Fourth edition Singapore Electricity Market Outlook, 29 October 2019
- (C) **MSWG commentary:-**
The government has rolled out the 10-year Malaysia Electricity Supply Industry 2.0 (MESI 2.0) master plan. The master plan intends to move from the current long and fixed period of Power Purchase Agreement (PPA) regime to a capacity and energy market. In addition, power generators will be allowed to source their own fuel to optimise cost, as opposed to sourcing from Tenaga Nasional Berhad (TNB) and Petroliaam Nasional Bhd only.
- (D) Malaysian Code on Corporate Governance (MCCG)

The Chairman then invited questions from the Members.

Some of the salient questions addressed by the Board were in relation to the following matters:-

- The 1BestariNet project of YTL Communications Sdn Bhd, in particular its position on the non-renewal of the contract by the government and its impact;
- Policy on dividend payout and capital expenditure;
- Impact of the downturn and future market outlook of the multi utilities segment in Singapore;
- Basis and assumption of impairment used by YTL PowerSeraya Pte. Limited and the auditors' judgment on its appropriateness;
- Reason for the rise in energy cost for FY2019;
- Number of shares bought back for FY2019 for which the share buy-back mandate was granted by the Members at last AGM, and total number of treasury shares held by the Company;
- The benefits of the government's National Fiberisation and Connectivity Plan 2019-2023 and its opportunities;
- Capital expenditure on maintenance of the old power plants and mobile broadband network segment;
- Clarification on the shareholder loans set out on page 104 of the Annual Report.

With that, the Chairman concluded the question and answer session for agenda 1 and declared that the Audited Financial Statements were duly laid before the Members in accordance with the requirements of the Companies Act, 2016.

No questions were raised on Resolutions 1 to 13 which were duly proposed and seconded by Members and put aside for voting by poll upon completion of the remaining business of the AGM.

The poll results were as follows:

RESOLUTION 1

- Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping who retired pursuant to Article 84 of the Company's Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,583,001,081	99.7820	14,411,629	0.2180	Carried

RESOLUTION 2

- Re-election of Syed Abdullah Bin Syed Abd. Kadir who retired pursuant to Article 84 of the Company's Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,501,919,822	98.5890	93,050,096	1.4110	Carried

RESOLUTION 3

- Re-election of Faiz Bin Ishak who retired pursuant to Article 84 of the Company's Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,202,008,869	94.0070	395,390,294	5.9930	Carried

RESOLUTION 4

- Re-election of Datuk Seri Long See Wool who retired pursuant to Article 90 of the Company's Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,202,264,852	94.0110	395,103,309	5.9890	Carried

RESOLUTION 5

- Re-election of Datuk Loo Took Gee who retired pursuant to Article 90 of the Company's Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,202,264,852	94.0110	395,103,309	5.9890	Carried

RESOLUTION 6

- Approval of the payment of Directors' fees amounting to RM744,356 for the financial year ended 30 June 2019.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,596,253,627	99.9830	1,114,534	0.0170	Carried

RESOLUTION 7

- Approval of the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2020 to December 2020.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,596,191,572	99.9820	1,176,589	0.0180	Carried

RESOLUTION 8

- Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company and authorisation for the Directors to fix their remuneration.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,586,273,602	99.8320	11,081,859	0.1680	Carried

SPECIAL BUSINESS:**RESOLUTION 9**

- Approval for Tan Sri Datuk Dr. Aris Bin Osman @ Othman to continue in office as Independent Non-Executive Director.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
5,529,331,102	83.8110	1,068,037,059	16.1890	Carried

RESOLUTION 10

- Authorisation for the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,004,510,243	91.0140	592,857,918	8.9860	Carried

RESOLUTION 11

- Renewal of Share Buy-Back Authority.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,004,826,999	91.0190	592,541,162	8.9810	Carried

RESOLUTION 12

- Renewal of Shareholder Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
1,417,592,081	99.9430	806,643	0.0570	Carried

RESOLUTION 13

- Adoption of New Constitution.

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
6,358,339,009	99.9880	763,543	0.0120	Carried

CLOSE OF MEETING

As there was no further business to be transacted, the Chairman thanked Members for their attendance and support.

The AGM was declared closed at 12.15 p.m. with a vote of thanks to the Chairman as proposed by a Member.