

BERMAZ AUTO BERHAD

(Company No. 900557-M)

(Incorporated in Malaysia)

An Extract of Minutes of the Eighth Annual General Meeting of the Company held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 3 October 2018 at 10.00 a.m.

CHAIRMAN

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin presided as Chairman of the Meeting.

PRESENT

The attendance list was set out in Appendix I attached.

QUORUM

The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING

The Notice of Annual General Meeting ("AGM") dated 21 August 2018 as contained on Page 138 to Page 139 of the Company's Annual Report was taken as read by the Secretary.

POLL VOTING

The Chairman informed that the voting for all the resolutions to be considered at the Meeting would be put on vote by poll pursuant to Paragraph 8.29A(1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

Thereafter, the shareholders would be required to cast their votes at the e-polling stations after all the resolutions have been duly proposed, seconded and clarified.

The Chairman begin with Item 1 on the Agenda which is to receive and adopt the Company's audited financial statements for the financial year ended 30 April 2018 together with the Directors' and Auditors' Report thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman further informed that under the provisions of Section 340 subsection 1(a) of the Companies Act 2016, the Company was required to lay before the meeting the audited financial statements and reports for the financial year ended 30 April 2018. Hence, there was no resolution on Item 1 of the Agenda in respect of the adoption of audited financial statements, Directors' and Auditors Reports for the financial year ended 30 April 2018 but members present would be able to ask questions and give comments on the Company's audited financial statements after the presentation by the Management.

The Chairman then invited Mr Simon Kua of Messrs Ernst & Young ("EY"), the external auditors of the Company, to present the Independent Auditors' Report on the financial statements for the financial year ended 30 April 2018 to the members present.

The Chairman thanked Mr Simon Kua on his presentation of the Auditors' Report and then invited Mr Chong Boon Kian, the Chief Financial Officer of the Company, to brief the members on the Group's financial performance for the financial year ended 30 April 2018 which was summarised in a slide presentation.

Mr Chong Boon Kian also presented to the members the Company's responses (Appendix II) to the queries raised by the Minority Shareholder Watchdog Group vide letter dated 27 September 2018 in relation to the Strategic & Financial Matters of the Group and Corporate Governance Matters.

After the presentation by Mr Chong Boon Kian, the Chairman then invited questions from the floor on the Audited Financial Statements for the financial year ended 30 April 2018. Several shareholders and proxies present made comments and sought clarifications on various issues which were duly addressed by Dato' Syed Ariff Fadzillah Bin Syed Awalluddin (*Chairman*), Dato' Sri Yeoh Choon San (*Chief Executive Officer*), Dato' Lee Kok Chuan (*Executive Director*), Ms Tham Lai Heng Michelle (*Company Secretary*) and Mr Simon Kua (*Messrs Ernst and Young*).

After having addressed all the queries for the members present, it was recorded that the Company's audited financial statements for the financial year ended 30 April 2018 together with the Directors' and Auditors' Reports were duly adopted.

1/18 DIRECTORS' FEES

The motion to approve the payment of Directors' fees for the financial year ended 30 April 2018 under Resolution 1 was proposed by Dato' Amer Hamzah Bin Ahmad and seconded by Mr Tan Thiam Chai.

2/18 DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 4 OCTOBER 2018 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2019

The motion to approve the payment of Directors' remuneration (excluding Directors' fees) for the period from 4 October 2018 until the next Annual General Meeting of the Company to be held in 2019 under Resolution 2 was duly proposed by Mr Toh Chin Fong and seconded by Puan Nor Ashikin Binti Akbar.

3/18 RE-ELECTION OF DIRECTOR

The motion on the proposed re-election of Dato' Sri Yeoh Choon San as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 3, was duly proposed by Mr Dinesh Kumar A/L Bachulal and seconded by Puan Nor Ashikin Binti Akbar.

4/18 RE-ELECTION OF DIRECTOR

The motion on the proposed re-election of Dato' Abdul Manap Bin Abd Wahab as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 4, was duly proposed by Mr Tan Thiam Chai and seconded by Ms Wong Poo Tyng.

5/18 RE-ELECTION OF DIRECTOR

The motion on the proposed re-election of Dato' Kalsom Binti Abd. Rahman as a Director of the Company pursuant to Article 100 of the Company's Articles of Association under Resolution 5, was duly proposed by Puan Nor Ashikin Binti Akbar and seconded by Mr Lee Teck Chuan.

6/18 RE-APPOINTMENT OF AUDITORS

The motion to move Resolution 6 in relation to the re-appointment of EY as Auditors of the Company was proposed by Mr Wan Heng Wah and seconded by Mr Tan Lay Hian.

7/18 SPECIAL BUSINESS

i) Ordinary Resolution - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The motion to move Resolution 7 in relation to the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 was proposed by Mr Tan Lay Hian and seconded by Ms Megan Leong Mei Heng.

ii) Ordinary Resolution - Proposed Renewal of Authority for the Company to Purchase its Own Shares

The motion to move Resolution 8 in relation to the proposed renewal of authority for the Company to purchase its own shares was proposed by Mr Dinesh Kumar A/L Bachulal and seconded by Mr Lee Teck Chuan.

As there were no other resolutions to be considered, the Chairman then invited Ms Haresha of Symphony Share Registrars Sdn Bhd to explain the procedures on the conduct of e-polling voting.

The Chairman then declared that the Meeting be adjourned at 12.10 p.m. for Messrs Symphony Share Registrars Sdn Bhd and Messrs Symphony Corporatehouse Sdn Bhd, the Independent Scrutineers to count and tabulate the poll results respectively.

Announcement of Poll Results

After the votes had been counted and verified by the Independent Scrutineers, Messrs Symphony Corporatehouse Sdn Bhd ("Symphony Corporatehouse"), the Chairman called the Meeting to order at 12.35 p.m. and the representative from Symphony Corporatehouse, Ms Tan Lai Hong reported the results of the poll as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Payment of Directors' Fees	799,279,482	99.9998	1,960	0.0002

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
2.	Payment of Directors' Remuneration (excluding Directors' Fees) for the period from 4 October 2018 until the next Annual General Meeting of the Company	799,279,622	99.9998	1,820	0.0002
3.	Re-election of Dato' Sri Yeoh Choon San	790,770,645	99.0204	7,822,797	0.9796
4.	Re-election of Dato' Abdul Manap Bin Abd Wahab	793,692,642	99.2407	6,072,800	0.7593
5.	Re-election of Dato' Kalsom Binti Abd. Rahman	799,765,162	99.99996	280	0.00004
6.	Re-appointment of Ernst & Young as Auditors	785,885,819	98.6874	10,452,883	1.3126
7.	Authority to Issue and Allot Shares under Sections 75 & 76	569,758,882	71.2407	230,006,560	28.7593
8.	Renewal of Share Buy-Back Authority	799,765,162	99.99996	280	0.00004

The Chairman then declared that all the resolutions, that is Resolution 1 to Resolution 8 were duly carried as follows:-

- 1) "THAT the payment of Directors' fees amounting to RM219,000/= for the financial year ended 30 April 2018 be and is hereby approved."
- 2) "THAT the payment of Directors' Remuneration (excluding Directors' Fees) to the Non-Executive Directors of the Company up to an amount of RM88,800/= for the period from 4 October 2018 until the next Annual General Meeting of the Company to be held in 2019 be and is hereby approved."
- 3) "THAT Dato' Sri Yeoh Choon San, being the Director retiring pursuant to Article 94 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."
- 4) "THAT Dato' Abdul Manap Bin Abd Wahab, being the Director retiring pursuant to Article 94 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."
- 5) "THAT Dato' Kalsom Binti Abd. Rahman, being the Director retiring pursuant to Article 100 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."

- 6) “THAT Messrs Ernst & Young be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”
- 7) “THAT, subject always to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”
- 8) “THAT, subject always to the Companies Act, 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BAuto Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-
1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
 2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
 3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the BAUTO Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAUTO Shares so purchased by the Company in the following manner:-

- (a) cancel all the BAUTO Shares so purchased; or
- (b) retain all the BAUTO Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

The duly re-elected Directors, Dato’ Sri Yeoh Choon San, Dato’ Abdul Manap Bin Abd Rahman and Dato’ Kalsom Binti Abd. Rahman thanked the members present for re-electing them and for their support and confidence in them.

Mr Simon Kua, the representative from EY, also thanked the members present for their re-appointment as Auditors of the Company.

8/18 CONCLUSION

The Chairman concluded and closed the Meeting at 12.40 p.m. and thanked the members for their presence at the Meeting.

Confirmed,

CHAIRMAN

Dated: 3 October 2018

BERMAZ AUTO BERHAD
(Incorporated in Malaysia)

EIGHTH ANNUAL GENERAL MEETING HELD ON 3 OCTOBER 2018

Present:

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	-	Chairman
Dato' Sri Yeoh Choon San	-	Chief Executive Officer
Dato' Lee Kok Chuan	-	Director
Dato' Abdul Manap Bin Abd Wahab	-	Director
Mr Loh Chen Peng	-	Director
Datuk Syed Hisham Bin Syed Wazir	-	Director
Dato' Kalsom Binti Abd. Rahman	-	Director
Mr Chong Boon Kian	-	Chief Financial Officer

Management Team and By Invitation:

Mr Tan Lay Hian	}	Representatives from Bermaz Motor Sdn Bhd
Mr Tan Say Chye		
Mr Hiew Hock Ngan		
Mr Foo Chuen Wah		
Mr Chua Vin Teck		
Ms Lee Ai Hoon		
Cik Nor Ashikin Binti Akbar		
Ms Yoon Chooi Liang		
Mr Toh Chin Fong		
Ms Ong Siew Yin		
Ms Ng Kah Yean		
Ms Sim Hui Ying		
Ms Yap Hong Ling		
Ms Lee Xiao Pei		

Mr Tan Thiam Chai	}	Representatives from Group Accounts & Budgets, Berjaya Corporation Berhad
Mr Lau Lub Ding		
Mr Jeff Hong Wei Onn		

Mr Simon Kua	}	Representatives from Messrs Ernst & Young
Mr Ryan Wong		
Ms Cynthia Lai		

Ms Tan Lai Hong - Messrs Symphony Share Registrars Sdn Bhd

Ms Haresha - Independent Scrutineers,
Messrs Symphony Corporatehouse Sdn Bhd

In Attendance:

Tham Lai Heng Michelle - Company Secretary

Members, Proxies and Corporate Representatives

As per the attendance sheets.

3 October 2018

Chief Executive Officer
 Minority Shareholder Watchdog Group
 Tingkat 11, Bangunan KWSP
 No.3 Changkat Raja Chulan
 Off Jalan Raja Chulan
 50200 Kuala Lumpur

Attn: Mr. Devanesan Evanson

Dear Sir,

**BERMAZ AUTO BERHAD (“BAUTO”)
 ANNUAL GENERAL MEETING - FOR FINANCIAL YEAR ENDED 30 APRIL 2018**

We refer to your letter dated 27 September 2018 raising certain points and queries on BAUTO's Annual Report for the financial year ended 30 April 2018 and are pleased to furnish herewith our reply (in the same sequential order) to those points and queries raised by your esteemed body as follows:

Strategic and Financial Matters

- 1(a) Higher capital expenditure in the Philippines mainly due to pre-registered demo cars (for marketing and promotion of the various car models) where the said cars are treated as capital expenditure due to longer holding period usually more than a year. In Malaysia, these pre-registered demo cars are treated as trading inventory as the holding period are much shorter, usually less than 6 months.

The capital expenditure in the Philippines are summarised as follows:

Expenditure	FY2018	FY2017
	(in RM'000)	
Furniture & fittings	94	226
Office Equipment	59	11
Motorcycle	-	5
Sub-total	153	242
Demo & Marketing Car	1,819	4,534
Total	1,972	4,776

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- (b) The Board will consider the opportunity to operate in other countries in the ASEAN region if granted the right to do so by Mazda Motor Corporation, Japan.
- 2(a) Amongst the additional information requested by PSE is the sustainability of Bermaz Auto Philippines Inc (“BAP”) business post-listing. Hence, BAP IPO exercise has been kept in abeyance due to the introduction of excise duty (in early 2018) by the Philippine Government on motor vehicles. The excise duty has negatively affected the overall car industry sales performance in the Philippines.

To mitigate this, BAP plans to launch its new Mazda CX-8 in 2019, a 7-seater model SUV, targeted at the mid-range market segment and will be attractively priced and is expected to be well received. It is envisaged that this will boost the overall sales and bottom-line of BAP.

- (b) The Board of BAP will re-visit the BAP IPO exercise at a later stage when BAP is able to optimize its IPO value. Relevant announcement will be made once BAP has re-filed its IPO application with the PSE.
- 3) The response for the 2 new models (Mazda CX-5 and Mazda CX-9) was very encouraging showing significant increase in sales volume during the second half of the financial year as shown below:

Models	May 17-Oct 17 (6 months)	After the CX-5 and CX-9 launches Nov 17-Apr 18 (6 months)	Increase (%)
CX-5	2,083	4,351	109%
CX-9	57	101	77%

- 4(a) The percentage of sales from CKD vehicles versus CBU vehicles is tabulated below for the 2 financial years:

Models	FY 2018		FY 2017	
	Units	%	Units	%
CKD	7,678	68%	6,254	59%
CBU	3,637	32%	4,315	41%
Total	11,315	100%	10,569	100%

The management would like to achieve a target ratio of 70:30 for the sale of CKD vehicles to CBU vehicles in Malaysia.

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- 4)(b) Mazda Malaysia Sdn Bhd's capacity at the Inokom assembly plant currently stands at 20,000 units of cars per annum, with an additional 10,000 units capacity available for negotiation as and when necessary.

Inokom Corporation Sdn Bhd assembly plant's capacity is currently at 40,000 units per annum.

- 5) The drop in the internal audit cost was mainly attributed to the lower number of audit assignments carried out during the financial year. There were 2 assignments carried out for the FY 2018 as compared to 3 assignments in the FY 2017. The timing of the completion of assignments is dependent on the audit cycle of the key operating subsidiaries as per the approved audit plan by the Audit Committee of the Board.
- (6) The dividend per share is extracted from pages 19 & 117 of the Annual Report where the aggregated 8.55 sen and 18.50 sen were based on payment dates during the FY 2018 and FY 2017 respectively. These dividend figures are not in accordance to the respective financial years that were approved and declared.

We tabulate the dividends according to their relevant financial years below:

	FY2018		FY2017	
	Dividend per share Sen	Dividend RM'000	Dividend per share Sen	Dividend RM'000
1 st Interim dividend	1.50	17,290	3.00	34,365
2 nd Interim dividend	1.60	18,531	2.75	31,642
3 rd Interim dividend	2.30	26,661	2.75	31,681
4 th Interim dividend	5.00*	58,095	3.15	36,298
	10.40	120,577	11.65	133,986

* announced on 12 June 2018 (includes special dividend of 2.70 sen dividend per share)

Based on the above tabulation, the dividends for FY2018 is **not significantly lower** than for FY2017. It is only 1.25 sen lower.

The Board does not agree that there is any connection between the reduction of dividends declared and the increase in directors' remuneration. The increase in directors' remuneration is a just and commensurate reward for the efforts of the directors in achieving the desired results for the Group. During the FY 2018, one of the directors of the Company was transferred from an executive director of an operating subsidiary company to be an executive director of the parent Company. Accordingly, his remuneration is reported under the category of executive director of the parent Company for FY2018 while in FY2017, it was reported under the category of non-executive director of the parent Company.

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- 7) The increase in selling and distribution expenses were mainly due to the higher Advertising and Promotional expenses, in line with the launches of new CX-5 and CX-9 models during the financial year, higher sales incentives granted to dealers for achieving the sales targets and for the efforts of clearing the run out CX-5 models, as well as higher sales commissions incurred. These are in tandem with the improvement in the overall sales volume.

Corporate Governance Matters

- 1) The Board acknowledges MSWG comment on the Company's disclosure under Practices 7.2, 11.2 and 12.3 of the Malaysian Code on Corporate Governance ("MCCG").

With regard to Practice 7.2, the Company has presently opted not to disclose the component of the remunerations of the key senior managements as it will not be in the best interest of the Group given the competitiveness in the business. However, the Company will monitor the development in the marketplace for such detailed disclosure and will consider a suitable disclosure practice in the future.

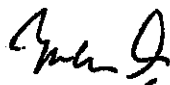
With regard to Practice 11.2, the Company would need time to study the disclosure requirements and will present the integrated report in the near future.

With regard to Practice 12.3, the Company would need time to study the availability of such technology in the market and will set a realistic timeframe based on the exploration to be carried out in the near future.

- 2) With regard to Practice 5.1, the Board took cognizance and will take the matter into due consideration for future practice.

We trust the above have clarified the points raised.

Yours faithfully
For and on behalf of
Bermaz Auto Berhad



Dato' Sri Yeoh Choon San
Chief Executive Officer

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