

MAA GROUP BERHAD
(Company No. 471403-A)
(Incorporated in Malaysia)

SUMMARY OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT CRYSTAL FUNCTION ROOM, 4TH FLOOR, MUTIARA COMPLEX, 3 ½ MILES, JALAN IPOH, 51200 KUALA LUMPUR ON WEDNESDAY, 29 MAY 2019 AT 12.30 P.M.

- Present : **NON-INTERESTED BOARD OF DIRECTORS**
MR ONN KIEN HOE
DATO' NARENDRAKUMAR JASANI A/L CHUNILAL RUGNATH
TUNKU DATO' AHMAD BURHANUDDIN BIN TUNKU DATUK SERI ADNAN
DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN
MR YEO TOOK KEAT
- By Invitation : **REPRESENTATIVES OF MAA GROUP BERHAD**
ANAND KANAGASINGAM
LIM YONG HUEY
WANG AI PHING
TAN BEE YOKE
- REPRESENTATIVES OF MESSRS PRICEWATERHOUSECOOPERS**
KELVIN LEE
YAP WENG FAI
- REPRESENTATIVES OF AFFIN HWANG INVESTMENT BANK BERHAD**
JOHAN HASHIM
SYED ZULFIDA
RANJIT GILL
YIP KAH WENG
MOHAMAD AIMAN
- REPRESENTATIVES OF MERCURY SECURITIES SDN BHD**
WINNIE LAU
KOK WAI KIT
- REPRESENTATIVES OF JEFF LEONG POON & WONG**
ANNE WONG
KRISTINE KOW
- Shareholders & Proxies : AS PER ATTENDANCE LIST ATTACHED
- In Attendance : MS LILY YIN KAM MAY (Company Secretary)
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As Tunku Dato' Yaacob Khyra and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah were deemed to be interested in the Special Resolution to be tabled to the shareholders at this Extraordinary General Meeting on the Proposed Selective Capital Reduction and Repayment Exercise under Section 116 of the Companies Act, 2016 ("Proposed SCR"), they had both decided not to participate in this EGM.

As such, the Non-Interested Board members had agreed that Mr Onn Kien Hoe who is the Chairman of the Due Diligence Working Group for the Proposed SCR be appointed to chair this EGM on the Proposed SCR.

The Advisers from Affin Hwang Investment Bank Berhad (“AHIBB”) and Mercury Securities Sdn Bhd (“MSSB”) as well as the Solicitors from Jeff Leong, Poon & Wong were present at this Meeting to assist in any clarification required by the shareholders. The representatives from AHIBB and MSSB were invited to brief the shareholders on the Proposed SCR.

The clarifications sought by the shareholders were mainly centered around the following issues :

- (i) The approximate value per MAAG share as at 31 December 2018 based on the fact that majority of the MAAG Group’s (excluding MAAGAP) total assets consist of liquid assets such as cash and cash equivalents, investment in financial assets (excluding the Group’s 33,056,478 shares in Altech Chemical Ltd and 6,750,000 shares in Solidarity) as well as the balance MAAT disposal proceeds of RM93.8million constituted approximately RM1.31 per MAAG Share.
- (ii) Should the Special Resolution pertaining to the Proposed SCR not be approved by the shareholders at this EGM, part of these liquid assets which include the RM208.15million of the remaining unutilized MAAT disposal proceeds as at the LPD of 26 April 2019 will be utilized for the Group’s future investment opportunities/prospective businesses, working capital, share buy-back exercise and payment of dividends to shareholders, as approved by the shareholders at the EGM held on 5 June 2018.
- (iii) On the clarification sought as to whether the Board had attempted to seek for a possible upward revision in the SCR Offer Price, the Non-Interested Board members informed that they had, through a letter dated 26 March 2019 requested that the Offerors consider revising the SCR Offer Price upwards. However, the Offerors had replied that they will not revise the SCR Offer Price.
- (iv) On the clarification sought on the basis the Non-Interested Board members had formed their opinion that the Proposed SCR was not fair but reasonable, the Non-Interested Board members informed the Meeting that they were advised by Mercury Securities, the Independent Advisers to the Proposed SCR, that the reasonableness of the offer outweighs the unfairness considering:
 - a) the historical market prices of MAAG Shares which have never traded above the SCR Offer Price for the past 7 years prior to the date of the SCR Offer Letter;
 - b) the MAAG Shares has been illiquid with an average monthly trading volume-to-free float for the past 12 months of 1.1%;
 - c) there have been no alternative proposals for MAAG Shares;
 - d) the level of equity of the Offerors is substantial enabling them and persons acting in concert with them to have substantial influence in determining outcomes of most resolutions to be sought at general meetings of the Company;
 - e) the Proposed SCR Offers an exit route to the Entitled Shareholders; and
 - f) there can be no assurance that the market price of MAAG Shares will remain at current levels, if the SCR is unsuccessful and the Company remains listed on the Main Market of Bursa Securities.
- (v) The Non-Interested Board members maintained their view that their opinion on the Proposed SCR is deemed unfair but reasonable based on the advise of Mercury Securities Sdn Bhd. There is currently no other offer made during the acceptance period of the SCR Offer.

- (vi) On the comments with regards the possibility of declaring dividends to the Shareholders, the Board informed the Meeting that the Company is still a going concern company and hence the Board intends to continue looking for ways to regularize the financial condition of the Company. Should the Proposed SCR not be approved by the shareholders, the Board would have to conserve the liquid assets and not limit the Company's ability to regularize its PN17 condition with focus to acquire viable assets to meet the requirements of the regulatory bodies. Furthermore as stated in the SCR Offer Letter that if the Company declares, makes or pays any dividend or any other distribution (collectively "Distribution") after the date of the SCR Offer Letter, the Non-Entitled Shareholders will reduce the SCR Offer Price by an amount equivalent to the net distribution made per MAAG Share.
- (vii) The Non-Interested Directors further highlighted that any declaration of dividends is subject to the Board's recommendation and will also take into consideration the cash resources potentially required to implement the regularization plan of the Company should the Proposed SCR fail to go through.
- (viii) On further comments made by the Shareholders at the Meeting, the Non-Interested Directors reiterated that the SCR was not proposed by them but proposed by the Non-Entitled Shareholders and as such they do not have the capacity to vary the terms of the Proposed SCR.

As the Special Resolution on the Proposed SCR failed to meet the requisite conditions as follows:

- Must be approved by at least a majority in number of the Non-Interested Shareholders and 75% in value to the votes attached to the MAAG Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the EGM;
- Must not be voted against by more than 10% in value to the votes attached to the MAAG Shares held by the Non-Interested Shareholders of the total voting shares of MAAG,

based on the following poll results :

Details		For		Against	
		Number/ Value	%	Number/ Value	%
(A)(i)	Majority in number of the Non-Interested Shareholders	66	⁽¹⁾ 37.9	108	⁽¹⁾ 62.1
(A)(ii)	75% in value to the votes attached to the MAAG Shares held by the Non-Interested Shareholders that are cast at the EGM	41,925,880	⁽²⁾ 69.9	18,066,798	⁽²⁾ 30.1
(B)	Voted Against (in value to the votes attached to the MAAG Shares held by Non-Interested Shareholders)	N/A		18,066,798	⁽³⁾ 10.8

Notes:

- (1) Computed based on a total of 174 non-interested shareholders who cast their votes either in person or by proxy at the EGM.
- (2) Computed based on 59,992,678 MAAG Shares held by the non-interested shareholders who cast their votes either in person or by proxy at the EGM.
- (3) Computed based on 167,740,668 MAAG Shares held by the non-interested shareholders as at 29 May 2019.

the Special Resolution set out below was not approved :

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF MAAG UNDER SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSED SCR”)

THAT subject to the relevant approvals being obtained from all relevant authorities and parties and subject to the confirmation of the High Court of Malaya (“**High Court**”) pursuant to Section 116 of the Act, approval be and is hereby given to MAAG to undertake and effect the Proposed SCR in the following manner:

- (a) to undertake a selective capital reduction to cancel all ordinary shares of MAAG (“**MAAG Shares**”) held by shareholders of MAAG (other than Melewar Acquisitions Limited and Melewar Equities (BVI) Ltd) whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the board of directors of MAAG (“**Board**”) (“**Entitlement Date**”) (“**Entitled Shareholders**”) resulting in a reduction of RM184,514,734.80 in the Company’s share capital from RM304,353,752.00 (comprising 273,517,752 MAAG Shares) to RM119,839,017.20 (comprising 105,777,084 MAAG Shares);
- (b) to vary the manner of utilisation of the proceeds from the disposal of MAAG’s 75% equity interest in MAA Takaful Berhad to Zurich Insurance Company Ltd for a cash consideration of RM364.4 million (“**Proceeds**”) as approved by the shareholders of MAAG at the Company’s EGM held on 5 June 2018 (which is for MAAG’s working capital, share buy-back exercise and payment of dividends to shareholders) and to use such Proceeds to fund the Proposed SCR; and
- (c) thereafter, to effect the capital repayment of RM1.10 in cash for each existing MAAG Share held by the Entitled Shareholders on the Entitlement Date.

THAT pursuant to the Proposed SCR, the Board be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposed SCR including:

- (a) to determine the Entitlement Date;
- (b) to file an application to seek the confirmation from the High Court for the reduction of issued share capital in accordance with Section 116 of the Act, giving effect to the Proposed SCR (“**Order**”);
- (c) to lodge a copy of the Order with the Registrar pursuant to Section 116(6) of the Act on such date as the Board may determine;
- (d) subject to the confirmation of the High Court being granted pursuant to Section 116 of the Act with regard to the Proposed SCR, to effect the capital repayment of RM1.10 in cash for each MAAG Share held by the Entitled Shareholders on the Entitlement Date;
- (e) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interests of MAAG or as a consequence of any requirements imposed by the relevant authorities, the High Court and/or by the Registrar and/or as may be required to comply with any applicable laws, in relation to the Proposed SCR; and

- (f) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of MAAG in order to implement, finalise, complete and to give full effect to the Proposed SCR, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings.

It be noted that Shareworks Sdn Bhd was appointed as the Independent Scrutineer.

There being no other business, the Meeting was terminated at 2.00 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record

ONN KIEN HOE
CHAIRMAN for the Extraordinary General Meeting of Shareholders on the Proposed SCR

KUALA LUMPUR
DATED: 29 MAY 2019