

MAA GROUP BERHAD
Registration No.: 199801015274 (471403-A)
Incorporated in Malaysia

SUMMARY OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF THE COMPANY WAS HELD ELECTRONICALLY IN ITS ENTIRETY VIA REMOTE PARTICIPATION AND VOTING AT THE BROADCAST VENUE AT ASTANA MEETING ROOM, 15TH FLOOR, NO. 566, JALAN IPOH, 51200 KUALA LUMPUR ON TUESDAY, 30 JUNE 2020 AT 11.00 A.M. IMMEDIATELY AFTER THE CONCLUSION OF THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY WHICH WAS HELD AT THE SAME VENUE AND ON THE SAME DAY.

PRESENT

Essential Individuals at the Broadcast Venue

Tunku Dato' Yaacob Khyra	(Executive Chairman)
Dato' Narendrakumar Jasani A/L Chunilal Rugnath	(Senior Independent Non-Executive Director)
Mr Yeo Took Keat	(Independent Non-Executive Director)
Tunku Dato' Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan	(Independent Non-Executive Director)
Datin Seri Raihanah Begum Binti Abdul Rahman	(Independent Non-Executive Director)
Ms Lily Yin Kam May	(Company Secretary)
Mr Anand Kanagasingam	(Group Chief Operating Officer)
Mr Choon Siew Thong	(Group Chief Financial Officer)
Mr Eric Tan Kai Ming, Propoll Solution Sdn Bhd	(Poll Administrator)
Mr Aloysius Foo Koon Ming, Symphony Merchant Sdn Bhd	(Scrutineer)
Mr Leow Kok Leong, Rainperfect Photography & Videography	(Audio Visual Support)

Director Attendance via Video Conferencing

Tunku Yahaya @ Yahya Bin Tunku Tan Sri Abdullah	(Non-Independent Executive Director)
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Attendance via Video Conferencing

Ms Angie Wong, PricewaterhouseCoopers PLT	(External Auditors)
Mr Yap Weng Fei, PricewaterhouseCoopers PLT	(External Auditors)
Ms Florence Kek, TA Securities Holdings Berhad	(Adviser)
Ms Tan Poh Lin, TA Securities Holdings Berhad	(Adviser)
Mr Yoon Ming Sun, Messrs Chooi & Company + Cheang & Ariff	(Solicitors)
Ms Lee Sen Ching, Messrs Chooi & Company + Cheang & Ariff	(Solicitors)

In view of the coronavirus disease 2019 (Covid-19) outbreak and as part of the safety measures, the Extraordinary General Meeting ("EGM") of MAA Group Berhad was conducted electronically in its entirety via Remote Participation and Voting facilities.

At the EGM of the Company duly convened and held electronically in its entirety via remote participation and voting at the Broadcast Venue at Astana Meeting Room, 15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on Tuesday, 30 June 2020, the Ordinary Resolution set out below was duly passed:

**ORDINARY RESOLUTION –
PROPOSED VARIATION TO THE UTILISATION OF PROCEEDS ARISING FROM THE
DISPOSAL OF MAA TAKAFUL BERHAD (NOW KNOWN AS ZURICH TAKAFUL MALAYSIA
BERHAD)**

The ordinary resolution proposed under the notice convening this meeting is in relation to the Proposed Variation to the Utilisation of Proceeds arising from the Disposal of MAA Takaful Berhad (now known as Zurich Takaful Malaysia Berhad) (“Proposal”).

The details of the Proposal are set out in the Circular to Shareholders dated 15 June 2020 for shareholders’ reference.

The Company Secretary read out the questions received prior to the EGM as well as the questions received via Q&A platform from the shareholders, and the relevant members of Management were invited to respond accordingly, as summarised below.

- (1) **Question 1.** *Why is there a need to defer the payment of the dividends of RM16.41 million “to be utilised within 24 months”?*

The Group Chief Operating Officer, Mr Anand Kanagasingam replied that the deferment is to allow optimal decision making taking into consideration the need to conserve its cash for exigencies due to the uncertainties of the current economic situation caused by the COVID-19 pandemic and after taking into consideration the financial performance of the Company. The MAAG Group has been registering losses after taxation for the past two (2) FYE 2018 and FYE 2019 of RM27.34 million and RM31.26 million respectively.

The Board will continue to evaluate its financial position prior to any declaration of dividends after taking into consideration the funding requirements for the existing operations and growth of the businesses of the Group and for any future investment opportunity(ies)/prospective business(es) to be acquired.

- (2) **Question 2.** *What is the purpose of the allocation of additional working capital of RM44.23 million for MAA Credit Berhad and Maax Factor Sdn Bhd (formerly known as Maaxclub Sdn Bhd)?*

Mr Anand Kanagasingam replied that the additional working capital of RM44.23 million is to provide funds for MAA Credit Berhad and MAAX Factor Sdn Bhd (formerly known as Maaxclub Sdn Bhd) in building its loan and factoring portfolio without any disruption in funding.

- (3) **Question 3.** *With respect to the SME debt factoring and money lending business, can the management shed some light into its operations, particularly the ratio of its “with recourse factoring” or “with non-recourse factoring”?*

Mr Anand Kanagasingam replied that MAAX Factor Sdn Bhd only engages in recourse factoring at this juncture and does not assume any risk of non-payment/uncollected invoices. Recourse factoring will allow Maax Factor to go after the client/to require the client to buy back the unpaid invoices, if any of the clients’ debtor accounts default.

The moneylending loans are secured against Personal Guarantees of the partners/owners and/or such other acceptable tangible security/ collateral to ensure a secondary source of repayment is available in the event of the businesses/clients fail to repay the loans when they are due.

- (4) **Question 4.** *On average what is the yield for the non-recourse factoring (if any) since there is a risk of bad-debt losses? What is the quality of the receivables portfolio taking into consideration the risk and pricing?*

Mr Anand Kanagasigam replied that MAAG is/will only be engaged in recourse factoring at this juncture, as mentioned in question 3. Albeit some likely delays given the current stressed environment, the quality of receivables are deemed to be satisfactory with no immediate risk of defaults. The debtor accounts mainly comprises governmental agencies, subsidiaries of MNCs/large well known corporate entities with satisfactory balance sheets and proven track records.

- (5) **Question 5.** *Please give some clarity on how MAA Credit and MAAX Factor will intensify its credit risk management in this current highly stressed environment (due to the COVID-19 pandemic) that is expected to disrupt the payment behavior of the sellers/hirers of money lending and factoring operations?*

Mr Anand Kanagasigam replied that MAA Credit and MAAX Factor will focus on essential services/products and businesses that can operate adequately under the shroud of COVID-19 and highly restricted environments such as the current Movement Control Order for both the conventional money lending and factoring businesses.

Our customers will typically be SMEs and we will mainly factor on recourse basis at this juncture and discount their debtors which are predominantly governmental entities, MNCs and recognisable large to mid-corporates (including their subsidiaries) against proper assignment of receivables and notice of assignment/letter of instructions accepted by the debtor accounts to transfer the funds directly to an account controlled by MAAX Factor to ring fence the cash-flow and mitigate repayment risk.

The customers are also enrolled for direct debit e-mandate to allow collection of funds directly from the main operating business current accounts.

While all original documents will be sighted and original notice of assignment/letter of instructions will be obtained from the debtor account, possibility of forgery and risk of fraud still exist. Hence in order to mitigate the said risks, the companies will undertake steps such as debtor account calling back or e-mail verification to confirm authenticity of the master contract/agreement, and any invoice submitted for discounting and confirmation that the same has not been paid will be done directly with the debtor account.

- (6) **Question 6.** *Is there any reason why the company is hesitating in taking the opportunity to buyback its shares which is currently at a huge discount?*

Mr Anand Kanagasigam replied that MAAG has been repurchasing its share for the past 12 months with its internally generated funds. Kindly refer to section 7 of the circular to shareholders dated 29 May 2020 in relation to the proposed renewal of shareholders' mandate for authority to the company to purchase its own shares of up to 10% of its total issued shares, for further details.

After having addressed the questions raised by the shareholders on the Proposal, Tunku Dato' Chairman went on to seek shareholders' approval on the ordinary resolution set out below.

The Company had appointed Symphony Merchant Sdn Bhd as the Independent Scrutineers to verify the poll results and Propoll Solution Sdn Bhd as Poll Administrator to conduct the polling process.

The result of the poll pertaining to this ordinary resolution was as follows:

	NO. OF SHARES	%
IN FAVOUR	122,150,436	87.2471
AGAINST	17,854,700	12.7529
ABSTAIN	0	

Based on the majority of votes of the members present and voting either in person or by proxy received for the Proposal, Tunku Dato' Chairman declared that the Ordinary Resolution on the Proposal be duly carried and it was resolved :-

“THAT approval be and is hereby granted to the Company to vary the intended manner of utilisation of the proceeds of RM91.87 million arising from the disposal of MAA Takaful Berhad (now known as Zurich Takaful Malaysia Berhad) which was completed on 30 June 2016 to the manner and to the extent as set out in Section 2 of the Circular to Shareholders of the Company dated 15 June 2020.

AND THAT the Directors be and are hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to execute all such documents as may be required to implement, finalise and give full effect to the Proposal.”

There being no other business, the Meeting was terminated at 11.30 a.m. with a vote of thanks to the Chair.

Confirmed as a correct record

**TUNKU DATO' YAACOB KHYRA
CHAIRMAN**

KUALA LUMPUR
DATED: 30 JUNE 2020