



MSM MALAYSIA HOLDINGS BERHAD

Registration No. : 201101007583 (935722-K)



MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF MSM MALAYSIA HOLDINGS BERHAD HELD ENTIRELY ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES VIA ONLINE MEETING PLATFORM PROVIDED BY BOARDROOM SHARE REGISTRARS SDN BHD AT [HTTPS://MEETING.BOARDROOMLIMITED.MY](https://meeting.boardroomlimited.my) (DOMAIN REGISTRATION NO. WITH MYNIC - D6A357657) ON THURSDAY, 17 JUNE 2021 AT 11.00 A.M.

PRESENT REMOTELY

Board of Directors:

YBhg. Datuk Syed Hisham Syed Wazir	Chairman Independent Non-Executive Director
YBhg. Datuk Dr. Abd Hapiz Abdullah	Independent Non-Executive Director
YBhg. Dato' Muthanna Abdullah	Independent Non-Executive Director
Mr. Steven Choy Khai Choon	Independent Non-Executive Director
YBhg. Datuk Lim Thean Shiang	Independent Non-Executive Director
YBhg. Dato' Rosini Abd Samad	Independent Non-Executive Director
YBhg. Dato' Amir Hamdan HJ Yusof	Non-Independent Non-Executive Director

Senior Management:

Tuan Syed Feizal Syed Mohammad	Group Chief Executive Officer
Encik Ab Aziz Ismail	Chief Financial Officer
Encik Hasni Ahmad	Group Chief Operating Officer
Encik Abdul Hadi Karim	Head of Corporate Strategy & Investor Relation
Puan Fariza Haizumi Ahmad	Investor Relations Officer
Ms. Koo Shuang Yen	Company Secretary

SHAREHOLDERS AND PROXIES

MSM's Share Registrar, Boardroom Share Registrars Sdn. Bhd confirmed that a total of 663 members comprising of Shareholders, Proxies and Corporate Representatives, representing 183,455,353 ordinary shares of the total issued and paid-up capital of MSM Malaysia Holdings Berhad ("MSM"/"Company"), logged in to participate in this MSM's Extraordinary General Meeting via Remote Participation and Voting Facilities.

3.0 VIRTUAL EGM

- 3.1 Datuk Chairman informed the Board of Directors, Senior Management and other attendees will also be present and participating virtually and remotely. The conduct of the virtual EGM is guided by the Guidance Note on the Conduct of General Meeting by Listed Issuers issued by the Securities Commission of Malaysia and Companies Commission of Malaysia, where listed issuers are encouraged to conduct a fully virtual general meeting
- 3.2 Datuk Chairman highlighted the online meeting platform provided by Boardroom Share Registrars Sdn. Bhd. is deemed to be in Malaysia, as the registered domain name is registered with MYNIC Berhad.

4.0 NOTICE OF MEETING

- 4.1 With the permission of the Meeting, Datuk Chairman proceeded with the agendas of the Meeting.
- 4.2 Datuk Chairman informed that the Notice convening the EGM of MSM had been circulated to the Shareholders on 27 August 2021 and only Shareholders whose names appeared in the Record of Depositors on 7 September 2021 were eligible to attend the EGM.
- 4.3 He then put forward the Notice convening the EGM to be taken as read.

5.0 CHAIRMAN AS APPOINTED PROXY

- 5.1 Datuk Chairman proceeded to introduce the Board of Directors, Senior Management and other attendees who joined the EGM to all participants. He then invited the Company Secretary, Ms Koo to update on the Attendee Summary Report including the Shareholders that had appointed the Chairman as their proxy.
- 5.2 Ms Koo informed that a total of 227 Shareholders and Proxies had logged to the EGM at 11.00 a.m. thorough the RPV. She further informed that within the stipulated timeframe in appointing a proxy, Shareholders of **538,007,053** shares have lodged their proxy/ies and out of that, the holders of 364,020,548 shares had appointed the Chairman of the Meeting as their proxy in the EGM.
- Ms Koo also highlighted that all the Interested Parties and Persons connected via their direct and indirect shareholdings, abstained themselves from voting on the resolution pertaining to the Proposed Disposal at this EGM.
- 5.3 Datuk Chairman encouraged the participants to participate in the EGM by submitting their questions in real time via the messaging icon. He informed that the participants may submit their questions from 11.00 a.m. until the announcement on the closure of “Question and Answer” session, which will be before the commencement of the voting session.
- 5.4 Questions of a similar in nature will be collated and addressed together and for the Shareholders’ information, the Board of Directors of the Company had appointed Tricor Business Services Sdn. Bhd. as the independent moderator for the virtual EGM.

- 5.5 It was noted that attendance of the EGM was restricted to Shareholders, Proxies and Corporate Representatives who had registered to join the EGM remotely. As the discussion that transpired in the EGM was deemed confidential and only for the knowledge of such relevant parties, any visual or audio recording of the EGM was strictly prohibited unless prior written consent has been obtained from MSM.

With the permission of the Meeting, Datuk Chairman proceeded with the agendas of the Meeting.

6.0 VOTING PROCEDURES

- 6.1 Datuk Chairman highlighted that in accordance to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the resolution set out in the Notice of the EGM shall be put to vote by electronic poll ("E-Polling"). He informed that Boardroom Share Registrars Sdn. Bhd. has been appointed as Poll Administrator to conduct the E-Polling process and Tricor Business Services Sdn. Bhd. will verify the poll results as Independent Scrutineers for the EGM.
- 6.2 The procedures in respect to Electronic/Remote Poll Voting via Lumi portal was explained in a video prepared by the Poll Administrator, as follows:-
- i. All remote participants will be able to view the live webcast of the proceedings of the EGM, pose questions and submit the votes in real-time while the meeting is in progress.
 - ii. To view the live streaming of the EGM proceedings, participants were required to click on the broadcast icon. The webcast audio would continue to play in the background even when poll was opened or minimised.
 - iii. To pose a question, click on the messaging icon, type the question and to submit it by clicking the arrow button.
 - iv. Voting session commenced since 11.00 a.m. until a time when the Chairman announces the completion of the voting session. To vote, simply select the voting direction and a confirmation message would appear.
 - v. To change the vote, simply select another direction, or if wish to cancel the vote, simply press 'Cancel'. After the poll had been closed, participants were able to view the live webcast for the announcement of the result by the Chairman.
- 6.3 It was noted that the Shareholders, Proxies or Corporate Representatives may continue to submit their votes at any time until announcement on the completion of the voting session by the Chairman.
- 6.4 Datuk Chairman exercised the powers conferred under Clause 73 of the Constitution of the Company, for the Chairman of the Meeting to demand a poll for the resolution set out in the Notice of EGM dated 27 August 2021.

7.0 MEETING OUTLINE

Datuk Chairman provided an outline on the conduct of the EGM, as follows:-

- a. Firstly, the Chairman shall brief the rationale of the Proposed Disposal and MSM's moving forward growth plans.
- b. Next, the resolution set out in the Notice of the EGM shall be read out before proceeding to vote by poll.
- c. The Meeting shall then be continued by reading out the questions received from the Minority Shareholders Watchdog Group ("MSWG") together with the Company's response, followed by addressing the questions received prior and post EGM from the Shareholders, Proxies or Corporate Representatives in relation to the Proposed Disposal.
- d. The Meeting shall be concluded, once the Chairman announced the results of the poll.

8.0 RATIONALE OF THE PROPOSED DISPOSAL

- 8.1 The rationale for the Proposed Disposal was to unlock the value of and monetise its non-core business where the proceeds from the proposed disposal will be largely allocated to pare down borrowings and capital expenditure, as well as to execute strategic plan to consolidate the Group's production in MSM Johor.
- 8.2 The monetisation of non-core plantation business will enable the Group to focus on its primary activity which is sugar refining. The disposal proceeds will be utilised for reduction in borrowing, general capital expenditure and general working capital in order to reduce financing cost. This will result in a gain on disposal of approximately RM91.6 million.
- 8.3 The commercialisation of MSM Johor in 2019 had increased the Group's total production capacity by 1.0 million MT per annum to 2.25 million MT per annum. In order to maximise the utilisation of MSM Johor, the Group had discontinued the sugar refining operations of MSM Perlis and transferred its production of approximately 140,000 MT per annum to MSM Johor.
- 8.4 In addition to growing export sales, the transferred production volume from MSM Perlis will enable the Group to supply refined sugar to our domestic customers in the southern region and East Malaysia from MSM Johor. The Group will be able to optimise its logistics and distribution costs by taking advantage of MSM Johor's strategic location.
- 8.5 Moreover, with the closure of MSM Perlis' sugar refinery operations in June 2020, MSM Johor was able to increase its utilisation rate from 18.4% in 2019 to 23.2% in 2020, which resulted in a reduction in refining cost by 4.5% in 2020.
- 8.6 Going forward, MSM will continue to embark on its strategic blueprint which will emphasise on maximising the utilisation of MSM Johor by primarily ensuring sustainable sugar supply to the domestic market while growing the Group's industry and export footprint regionally.

- 8.7 In relation to this, MSM planned to grow the export segment to the Asia Pacific region which has an estimated refined sugar import demand of 4.0 million MT per year. The strategic location of MSM sugar refineries in Tanjung Langsat, Johor and Prai, Penang which are port front provide advantage on the export distribution and handling cost. MSM will also pursue growing its value-added segment i.e. liquid sugar, fine syrup and premix for the domestic and export market.
- 8.8 The Board (save for the interested directors) is of the view that the reference final disposal consideration is justifiable given that it represents a premium of RM9.2 million or 4.7% to the pro-forma adjusted audited net assets of MSM Perlis at RM196.9 million as at 31 December 2020. This is after considering the revaluation surplus of the Chuping properties as appraised by the Independent Valuer on 4 May 2021, as set out under Section 2.4.1 of part A of the Circular.
- 8.9 MSM Perlis was undergoing a restructuring exercise where the adjustment to the net working capital and net debt will be completed to determine final disposal consideration. Once final disposal consideration has been determined, MSM will make an immediate announcement on Bursa Securities on the amount of the final disposal consideration, the details of the computation and basis for the adjustments to arrive at such amount.

9.0 MEETING PROCEEDINGS

- 9.1 Datuk Chairman then proceeded with the businesses on the Agenda of the EGM.

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTEREST IN MSM PERLIS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF MSM MALAYSIA HOLDINGS BERHAD, TO FGV INTEGRATED FARMING HOLDINGS SDN. BHD. FOR AN INITIAL DISPOSAL CONSIDERATION OF RM175.0 MILLION IN CASH, SUBJECT TO ADJUSTMENT FOR NET WORKING CAPITAL AND NET DEBT AT COMPLETION ("PROPOSED DISPOSAL").

The Chairman then declared the motion of the Ordinary Resolution as follows:

"THAT subject to the relevant approvals being obtained from all relevant authorities, approval be and is hereby given for the Company to carry out and to implement all transactions contemplated herein in relation to the following:

- i. the disposal of the entire equity interest in MSM Perlis Sdn. Bhd., a wholly-owned subsidiary of MSM Malaysia Holdings Berhad, to FGV Integrated Farming Holdings Sdn. Bhd. for an initial disposal consideration of RM175.0 million in cash, subject to adjustment for net working capital and net debt at completion of the Proposed Disposal.***

AND THAT the Board of Directors of the Company be and is hereby authorised to carry out all such acts, deeds and things deemed necessary or expedient to give full effect to implement all transactions contemplated therein in the Proposed Disposal, for and on behalf of the Company and in the best interest of the Company, with full powers to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal as may be required by any relevant authorities and to execute, deliver and/or cause to be delivered such documents and agreements in connection therewith."

- 9.2 Datuk Chairman informed that the proposed Ordinary Resolution, if passed, the entire equity interest held in MSM Perlis Sdn. Bhd. will be disposed to FGV Integrated Farming Holdings Sdn. Bhd. with the agreed initial disposal consideration of RM175.0 million in cash, subject to adjustment for net debt and net working capital at the date of completion of the Proposed Disposal. The detailed information on the Proposed Disposal as set out in the Circular to Shareholders dated 27 August 2021.

10.0 QUESTIONS AND ANSWERS SESSION

- 10.1 Datuk Chairman informed the Meeting that MSM had received questions prior to and during the EGM through the chat messaging platform during the live streaming by the Shareholders, Proxies and Corporate Representatives. The Board Members and the Senior Management of MSM who were in attendance will answer any question from the Shareholders on the Proposed Disposal and any matters in relation to the EGM business agenda.
- 10.2 He mentioned that the Questions and Answers session will be moderated by the the Independent Moderator for the virtual EGM, Tricor Business Services Sdn. Bhd. whom independently and objectively oversaw and moderated the collation of questions submitted by the Shareholders to ensure that they were responded to accordingly.
- 10.3 The Group CEO presented to the Shareholders for their notations the questions received from MSWG followed by the questions submitted by the Shareholders prior to this EGM together with Management's responses for the same. The complete list of questions received together with the responses are attached as **Annexure 1** and **Annexure 2** respectively.
- 10.4 The questions posed were made visible to all the Shareholders, Proxies and Corporate Representatives during the meeting and multiple and repetitive questions were summarised collectively by the Independent Moderator. The questions together with MSM's responses are as per the attached **Annexure 3** to the Minutes.
- 10.5 On the conclusion of the Questions and Answers session, Datuk Chairman thanked the Shareholders, Proxies and Corporate Representatives for their questions and comments. Datuk Chairman then proceeded with the Meeting.

11.0 OPEN OF POLL

- 11.1 As the agenda set out in the Notice of EGM had been dealt with, Datuk Chairman announced the closing of the messaging icon for submission of questions, and Shareholders can no longer post any further questions in relation to the resolutions.
- 11.2 Datuk Chairman clarified that the E-Polling process had commenced since the beginning of the EGM at 11.00 a.m., He then requested those whom had yet to vote, to cast their votes on the resolution accordingly.
- 11.3 For the benefit of the Shareholders, Datuk Chairman informed the Shareholders again that he had been appointed as proxy for a number of Shareholders and shall vote in accordance with the instructions given.

- 11.4 Datuk Chairman informed that the poll voting will be closed in the next 5 minutes from 12.08 p.m. and the results of the poll would be revealed after the voting process ended and being verified by the Independent Scrutineers.
- 11.5 The poll was closed at 12.13 p.m. and the meeting was adjourned for another 10 minutes for the Independent Scrutineers to verify the polling results.

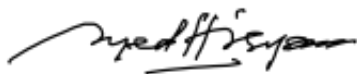
12.0 POLL ANNOUNCEMENT RESULT

- 12.1 At 12.23 p.m., Datuk Chairman called the Meeting to order for the announcement of the polling results. He then called upon the Independent Scrutineers to read out the results of the polls.
- 12.2 The poll result was displayed on the live screen. Ms. Wong Cheau Mei, the Independent Scrutineer prior making the announcement confirmed that the result which was displayed on the live screen were compiled by Boardroom Share Registrars Sdn Bhd, the Poll Administrator and has been duly verified by the, Tricor Business Services Sdn Bhd, the Independent Scrutineers. The polling result for the Ordinary Resolution which had been duly verified by Tricor is attached to this minutes as **Annexure 4**.
- 12.3 Datuk Chairman informed that the polling result for the Ordinary Resolution had been duly verified by Tricor and he then declared that the result of the poll for **Ordinary Resolution is carried**.

13.0 CONCLUSION

Datuk Chairman thanked to all Shareholders, Proxies and Corporate Representatives for participating in Company's EGM and declared the EGM of MSM concluded at 12.25 p.m.

SIGNED AS A CORRECT RECORD OF THE PROCEEDINGS THEREAT



DATUK SYED HISHAM SYED WAZIR
Chairman